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Washington
LABOR MARKET

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JOB SERVICE

Washington State
Employment Security

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Employment and Training
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Highlights

Labor Surplus Areas--Page 11

Up and Down

The Dow Jones Industrial Average rose a spectacular 44 percent from the end of 1986 until the middle of August. Even with rising corporate profits the increase was excessive, especially in light of chronic foreign trade and national budget deficits and rising interest rates. A correction in market prices was widely expected, and after several wide swings up and down from late August through mid-October, the correction hit with a vengeance. On October 19th alone, the Dow Jones average dropped nearly 23 percent. Erratic improvement in subsequent days moved the average to five percent above its 1986 year-end level by the end of October.

Impact Unclear

The impact of the stock market decline on the economy is unclear and likely will not be known for several months. A collapse of the nation's credit and banking system such as occurred after the 1929 market crash is not expected. A decline

in consumer confidence is more likely, which would lower personal consumption and, in turn, industrial production. Even this, however, is not certain. The flight from equities to money market funds has already pushed interest rates lower and that will stimulate the economy should it continue. Another promising development is that the sharp loss in stock market prices has prompted Congress and the President to address the national budget deficit problem.

	Sept. 1987* (Prel.)	Aug. 1987* (Rev.)	Sept. 1986
Civilian Labor Force	2,248,100	2,239,600	2,216,100
Total Employment	2,095,400	2,089,000	2,053,900
Total Unemployment	152,700	150,600	162,200
State Unemployment Rate	6.8	6.7	7.3
National Civilian Unemployment Rate	5.7	5.8	6.8

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

Where's the Rain?

Sunshine and warm weather are great for picnics and welcome for other outings in Washington State as long as they go away after Labor Day. Unfortunately that was not the case this year, as warm, dry weather persisted through October (at least) resulting in restrictions and closures in the Western Washington logging industry because of fire hazard conditions. A shortage of logs developed which forced some sawmills to cutback, while the Simpson Tacoma Kraft (paper) mill reduced its operation and workforce because of a shortage of water.

In Eastern Washington, orchardists harvested an excellent crop of Golden Delicious apples. Their important Red Delicious crop, however, requires cold weather in September for proper coloring. The prolonged hot weather delayed the harvest and resulted in less color and sunburned fruit. Orchardists waited to harvest the Red

Delicious apples, hoping for more color in the crop, which is expected to total a record 85.7 million boxes, up 16 percent from last year. Unfortunately, news of the record crop had attracted many farm workers to Eastern Washington who were not needed because the delay lengthened the harvest period.

Employment Up, But Less Than Normal

Total employment in Washington State rose 6,400 between August and September, but the increase was less than seasonally expected. After seasonal adjustment, the job total fell 16,100. The drop, however, followed an exceptionally strong gain of 41,000 from April through August so the loss in September is no cause for alarm.

The less-than-normal expansion in September appears to have resulted from a number of temporary factors. Restrictions on logging operations prevented a normal expansion in that industry; peak activity in the apple harvest did not begin until late September (employment estimates are made for the week including the 12th of the month); and a labor-dispute reduced the gain associated with the beginning of a new school year.

Unemployment Up

Unemployment edged up from 150,600 and 6.7 percent of the labor force in August to 152,700 and 6.8 percent in September. The increase was slight, but since unemployment normally falls at this time of the year, the increase in the seasonally adjusted rate was substantial--from 7.2 to 7.7 percent. The jump, of course, reflected the below normal job gains for the month. Even with the increase, the September rate was well down from the 8.3 percent adjusted rate recorded in September 1986.

AUGUST-SEPTEMBER INDUSTRY DEVELOPMENTS

Schools Reopen

Nonfarm employment rose 19,400 (not seasonally adjusted) between August and September with the bulk of the increase related to the beginning of a new school year. Public education payrolls moved up 17,100 alone as schools recalled cafeteria workers, bus drivers, teacher aides, and other support staff laid off in June. (Teachers are considered employed year around since they are paid on a 12-month basis.) The increase would have been 1,300 greater had it not been for a labor dispute which was settled at

the end of the month. October will see another large rise in education because of the beginning of the new academic year at several colleges, additional hiring at other schools, and, of course, the strike settlement.

Less Tourist Business

Employment in services rose 4,400 in September. The new school year at private schools and colleges, county and regional fairs and a seasonal increase in day care and preschool services more than offset seasonal losses at hotels, motels, resorts and summer camps because of the end of the summer tourist season. Wholesale trade added 1,300 workers as fruit warehouses in Eastern Washington began storing, packing and shipping this year's apple crop. In retail trade, back-to-school shopping increased employment at department and apparel stores, but seasonal losses at restaurants because of less tourist business and at hardware-building supply stores more than offset the gains and overall employment at retail establishments slipped 400.

Construction Past Seasonal Peak

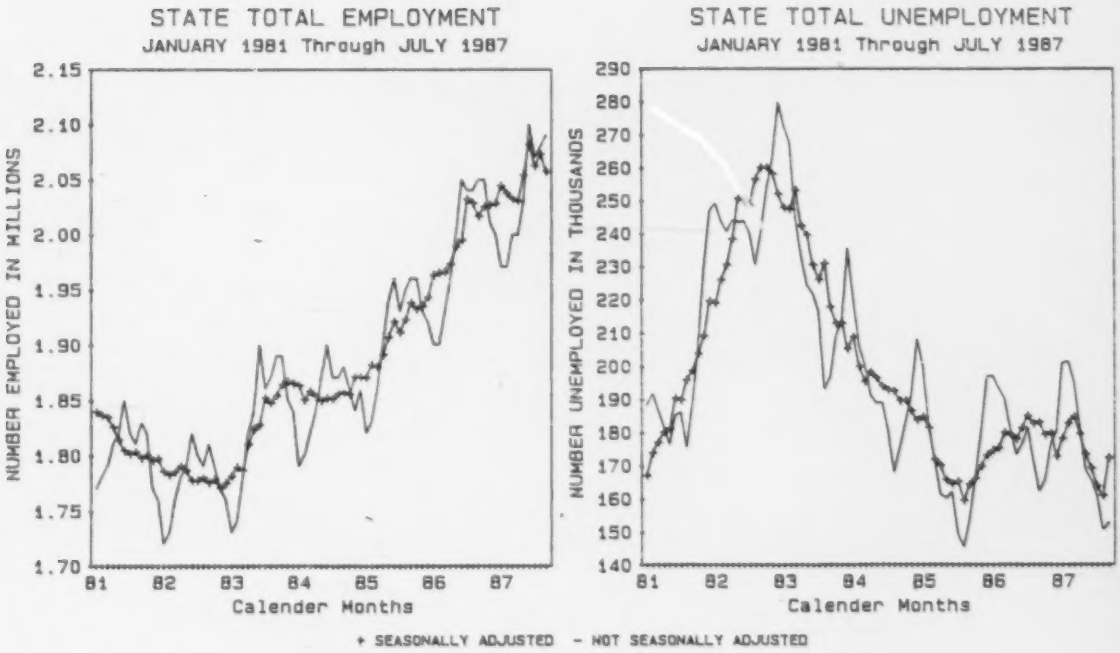
Construction employment slipped 100 in September for its first loss since its seasonal expansion began in January. The drop was not significant except that it probably marks the end of seasonal growth for this year. Warm, dry weather in October, however, should help maintain employment in the building trades in that month. Payrolls in transportation-communications-utilities also began to contract in September: less tourist travel was noted; vacation-replacement workers were no longer needed, and seasonal outdoor maintenance activities slowed.

Manufacturing Adds 3,500

Employment in the state's manufacturing industries rose 3,500 in September with aerospace and food products accounting for most of the expansion. Aerospace added 1,200 for its second largest monthly gain this year. Since the beginning of the year, the industry's job total has jumped 6,400 or 7.3 percent. "Other transportation equipment" (up 500) also expanded with hiring at shipyards and the settlement of a labor dispute.

Food products added 1,300 for the month as processing of potatoes, corn and other late summer vegetables began at canneries and freezing plants. Elsewhere in manufacturing, employment moved up 400 in aluminum as recently

reopened smelters in Goldendale and Vancouver added staff. Instruments (down 400) posted the only sizable loss for the month; significant layoffs were reported by two firms.



YEAR-TO-YEAR DEVELOPMENTS

Economy Remains Strong

Although the August-September expansion was less than normal, nonfarm employment in the state continues to show a wide lead over its year-ago total. In the 12-month period the number of nonfarm jobs advanced 63,100 or 3.5 percent, well above the comparable national expansion of 2.4 percent, which itself represented a sizable gain.

The major growth over the year occurred in the trade (up 23,200) and services (up 16,400) industries which together accounted for over 60 percent of the new nonfarm jobs. Manufacturing, however, added 14,000 jobs year-to-year.

Aerospace payrolls rose 7,500 to account for over half of the new manufacturing jobs. "Other transportation equipment" added 1,000. While shipbuilding payrolls have declined over the year, pleasure boat manufacturing is booming: several firms have added a second shift and production is at capacity. Employment at truck and trailer plants has also grown over the 12-month period.

Aluminum employment was up 800 over the year. The industry is showing strong recovery with two plants being reopened and the price of primary aluminum moving sharply higher. Printing-publishing (up 700) also posted a sizable gain over the year with favorable overall business conditions bringing in more advertising revenue.

AREA DEVELOPMENTS

Unemployment Falls In Eastern Washington, Up In Western Washington

The apple harvest and related storing, packing and shipping activity lowered the unemployment rate sharply in Eastern Washington between August and September, but the rate in Western Washington rose partially because of shutdowns in logging caused by fire danger.

East of the Cascades the rate dropped from 7.9 to 7.1 percent with large reductions in major apple producing areas. Unemployment would have fallen even further had the peak of the harvest occurred in the week including the 12th of the month, the week for which estimates are prepared, rather than towards the end of the month. Typical of major apple producing areas are Yakima and Okanogan counties and the Wenatchee area (Chelan and Douglas counties). The jobless rate in Yakima County dropped from 8.6 to 7.4 percent over the month; Okanogan County's rate plunged from 12.0 to 8.3 percent, while the Wenatchee area saw its rate fall from 9.3 to 6.9 percent.

In Western Washington the unemployment rate moved up from 6.4 to 6.7 percent over the month. The rise was much greater in counties highly dependent on the lumber industry. Overall the rate in these counties, which are mainly west of the Cascades, jumped from 9.1 to 10.3 percent between August and September. Typical of these counties were Grays Harbor, Lewis and Skamania. The jobless rate in Grays Harbor County jumped from 9.5 to 11.3 percent over the month; Lewis County's rate rose from 9.1 to 12.5 percent; while the rate in Skamania County surged nearly one-third, from 13.2 to 18.0 percent.

Unemployment Rate Edges Up In Seattle and Tacoma, Stable in Spokane

Neither the apple harvest or the layoffs in logging had a large impact on the state's major metropolitan areas--Seattle, Tacoma and Spokane. In these areas the most important employment developments were the end of the summer tourist season and the reopening of schools. In Seattle and Tacoma, unemployment rates edged up two-tenths of a point to 5.9 and 7.8 percent, respectively, while the jobless rate in Spokane remained unchanged between August and September at 6.6 percent.

INDUSTRY NOTES

Drought Idles Loggers, Sawmill and Paper Mill Workers

A lack of rain has caused extremely dry weather conditions in Washington's forests which has resulted in a sharp curtailment in logging because of fire hazard conditions. Claims for unemployment compensation from lumber industry workers doubled from mid-August to mid-September. The drought continued through October and is now affecting some sawmills and the Simpson Tacoma Kraft mill.

The paper mill was forced to reduce operations and lay off over 100 workers in late October because of a shortage of water for its operations. Ordinarily the mill uses 31 million gallons of water a day. The City of Tacoma, which supplies the mill with water, was forced to restrict water useage. The water level in the Green River, the main source of the city's water supply, is extremely low because of the drought.

The curtailment at the paper mill also resulted in layoffs and cutbacks at Simpson lumber mills and some other sawmills and chipping mills which sell wood chips to the paper mill. Another problem for sawmills is a shortage of logs resulting from the curtailment of logging operations and strong demand from Japan. Japanese housing starts have increased 25 percent this year boosting the price of logs an estimated 30 percent since June.

Boeing's Earnings Down

Although aerospace employment has continued to expand this year, The Boeing Company, which accounts for the bulk of aerospace employment in the state, has reported lower profits. The firm's order backlog, however, has increased. Boeing's earnings in the third quarter fell 34 percent from third quarter 1986 because of competitive pressure on commercial aircraft

sales and higher research and development costs. Their commercial backlog at the end of the third quarter, on the other hand, rose to $24.2 billion from $20.1 billion at the end of 1986. Its U.S. government backlog slipped from $6.5 to $6.3 billion over the same time period.

Boeing's competitive pressure largely comes from the European Airbus Industrie. Boeing and McDonnell Douglas Corp. claim subsidies from France, Germany and England allow Airbus to sell aircraft below cost. The controversy is currently being discussed by U.S. and Western European trade officials.

Boeing Loses Hypersonic Aircraft Contract, But Receives Large Orders From Airlines

General Dynamics, McDonnell Douglas, and Rockwell International were awarded three year U.S. government contracts valued at $25.5 million each to develop airframe components for the proposed hypersonic aircraft. The craft is expected to be capable of flying 17,000 mph. Total development work on the plane is expected to cost $3.3 billion. The Boeing Company will explore opportunities for working with the companies selected.

While losing the superplane contract, Boeing chalked up a number of large orders for jetliners in October. An order for 27 aircraft valued at $850 million was received from Ansett Transport Industries, Ltd. of Australia. Malaysian Airline System ordered a 747-400 valued at $134 million. Cathay Pacific Airways of Hong Kong ordered a 747-300 valued at $115 million for which it had an option. A 737-200 valued at $19 million was ordered by a Yugoslavian airline.

In early November, the Japanese government ordered two Boeing 747 jets worth $269 million and two European airlines ordered eight 737-300's for about $210 million. Orders from two other airlines totaled $180 million: Australian Airlines ordered four 737-300s and Britannia Airways will buy a Boeing 767. The order from Australian Airlines replaced a previous order with Airbus Industrie.

Japanese Seafood Plant for Fife

A seafood plant, which is expected to employ 73 workers, will be built in Fife by Nichirei Corp. of America. American investors will own 20 percent of the plant that will be built in part by tax-free bonds authorized by the Economic Development Corp. of Pierce County. The plant will produce imitation crab, shrimp and other seafood.

NATIONAL INDICATORS

Leading Indicators Down Slightly

The Index of Leading Economic Indicators, the government's main barometer of economic activity, slipped 0.1 percent in September, its first decline since January. Contributing to the decline were a drop in the average workweek in manufacturing and lower stock market prices. The reduction in the average workweek was largely due to a late Labor Day and that component is expected to rebound in October. The decline in stock market prices does not include the sharp drop on October 19th, however, and the index will be about one percent lower in October than it would have been otherwise.

Beside declines in the average workweek and stock market prices in September, other leading indicators showing declines were sensitive material prices and a slight drop in plant and equipment orders. Leading indicators on the positive side for the month were a decline in new claims for unemployment compensation and advances in orders for consumer goods, the money supply and the business delivery index.

GNP Accelerates

While the drop in stock market prices raises questions over future trends, the economy expanded sharply in the third quarter. The nation's Gross National Product (GNP), an inflation-adjusted measure of the output of goods and services, rose at an annual rate of 3.8 percent in the third quarter, up from 2.5 percent in the second quarter. The jump was credited to higher consumer spending, especially on automobiles, and the largest rise in business investment in over three years.

A number of other indicators were also positive in September. Personal income rose 0.7 percent for its largest gain since February. Housing starts moved up 4.4 percent for its biggest advance since December 1986. Consumer prices rose only 0.2 percent in September, which suggests inflation is beginning to moderate from sharp increases earlier this year.

Economists Lower Forecasts

Following the sharp drop in stock market prices, many economists lowered their forecasts of economic activity for the remainder of this year and for 1988. Many believe consumers will lower expenditures because of lost wealth and increase savings. That belief is not universal, though. The sharp run up in stock prices earlier this year didn't create a boom in consumer spending, and the drop many not cause a bust.

CONSUMER PRICE INDEX*

(All Items, Urban Consumers, 1967=100)

	INDEXES			PERCENT CHANGE Year Ending	
	Sept. 1987	Aug. 1987	Sept. 1986	Sept. 1987	Aug. 1987
U.S. City Average	344.4	342.7	330.2	4.3	4.3
	Jan.-June 1987	Jan.-June 1986		Jan.-June '86 to Jan.-June '87	
Seattle*	329.7	324.9		1.5	

* The Bureau of Labor Statistics no longer develops bimonthly CPI data for the Seattle area. Beginning this year the Seattle index will be published twice a year. The index for Seattle reflects prices in King, Pierce and Snohomish Counties.

LABOR SURPLUS AREAS

The U.S. Department of Labor has designated "Labor Surplus Areas" for the Federal Fiscal Year beginning October 1, 1987 and ending September 30, 1988. Employers are eligible for preference in federal contract bids if they agree to perform over 50 percent of the contract work within labor surplus areas. The purpose of identifying labor surplus areas is to channel federal government procurement dollars into communities with high unemployment. All counties, and cities with populations of at least 25,000, are eligible for the classification provided their average unemployment rate has been above a certain level in the last two complete calendar years.

To be classified as a labor surplus area for the October 1, 1987 to September 30, 1988 period, an area needed an average unemployment rate of at least 8.6 percent for the 24-month period of January 1985 through December 1986. An exceptional circumstances provision, however, allows the U.S. Department of Labor to classify other areas as labor surplus areas if unemployment rises substantially because of recent developments such as plant closures, contract cancellations, natural disasters, and other unforeseen circumstances.

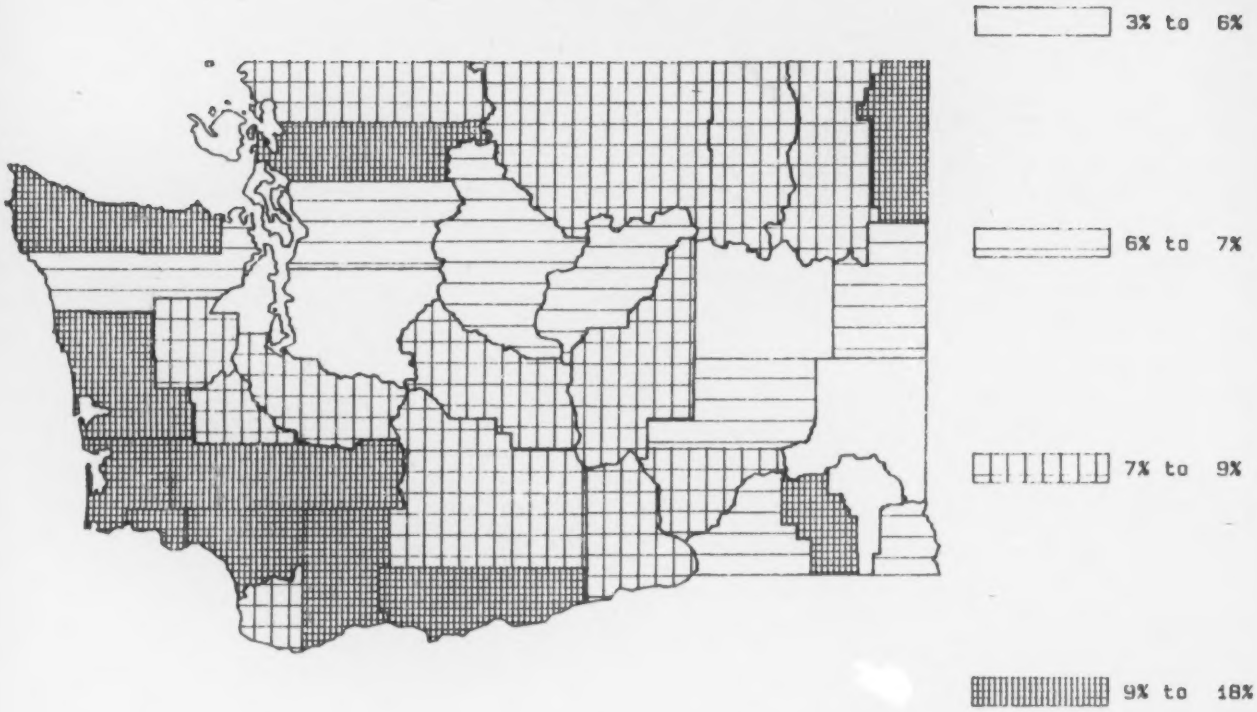
The following table identifies current labor surplus areas in Washington State.

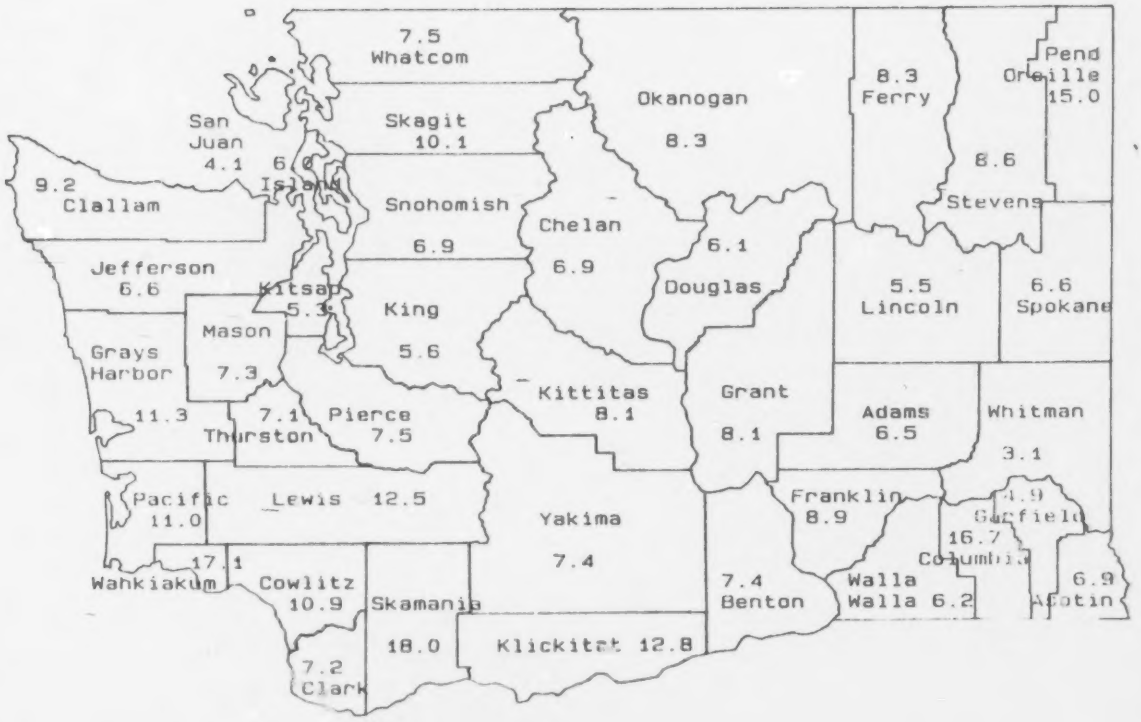
LABOR SURPLUS AREAS
ELIGIBLE FOR FEDERAL PROCUREMENT PREFERENCE
FROM OCTOBER 1, 1987 THROUGH SEPTEMBER 30, 1988

ELIGIBLE LABOR SURPLUS AREAS	CIVIL JURISDICTIONS INCLUDED
WASHINGTON	
ADAMS COUNTY	ADAMS COUNTY
ASOTIN COUNTY	ASOTIN COUNTY
BELLINGHAM CITY	BELLINGHAM CITY IN WHATCOM COUNTY
BALANCE OF BENTON COUNTY	BENTON COUNTY LESS KENNEWICK CITY AND RICHLAND CITY
CHELAN COUNTY	CHELAN COUNTY
CLALLAM COUNTY	CLALLAM COUNTY
COLUMBIA COUNTY	COLUMBIA COUNTY
BALANCE OF COWLITZ COUNTY	COWLITZ COUNTY LESS LONGVIEW CITY
DOUGLAS COUNTY	DOUGLAS COUNTY
EVERETT CITY	EVERETT CITY IN SNOHOMISH COUNTY
FERRY COUNTY	FERRY COUNTY
FRANKLIN COUNTY	FRANKLIN COUNTY
GARFIELD COUNTY	GARFIELD COUNTY
GRANT COUNTY	GRANT COUNTY
GRAYS HARBOR COUNTY	GRAYS HARBOR COUNTY
KENNEWICK CITY	KENNEWICK CITY IN BENTON COUNTY
KITTITAS COUNTY	KITTITAS COUNTY
KLICKITAT COUNTY	KLICKITAT COUNTY
LEWIS COUNTY	LEWIS COUNTY
LONGVIEW CITY	LONGVIEW CITY IN COWLITZ COUNTY
MASON COUNTY	MASON COUNTY
OKANOGAN COUNTY	OKANOGAN COUNTY
PACIFIC COUNTY	PACIFIC COUNTY
PEND OREILLE COUNTY	PEND OREILLE COUNTY
SKAGIT COUNTY	SKAGIT COUNTY
SKAMANIA COUNTY	SKAMANIA COUNTY
STEVENS COUNTY	STEVENS COUNTY
TACOMA CITY	TACOMA CITY IN PIERCE COUNTY
VANCOUVER CITY	VANCOUVER CITY IN CLARK COUNTY
WAHKIAKUM COUNTY	WAHKIAKUM COUNTY
WALLA WALLA CITY	WALLA WALLA CITY IN WALLA WALLA COUNTY
BALANCE OF WHATCOM COUNTY	WHATCOM COUNTY LESS BELLINGHAM CITY
YAKIMA CITY	YAKIMA CITY IN YAKIMA COUNTY
BALANCE OF YAKIMA COUNTY	YAKIMA COUNTY LESS YAKIMA CITY

SEPTEMBER UNEMPLOYMENT RATES

State of Washington 6.8





Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT
IN WASHINGTON STATE AND LABOR MARKET AREAS

(Not Seasonally Adjusted)

DATE 10/29/87
Benchmark: 1986

	SEPTEMBER 1987 PRELIMINARY 1/				AUGUST 1987 REVISED 1/				SEPTEMBER 1986 REVISED			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,248,100	2,095,400	152,700	6.8	2,239,600	2,089,000	150,600	6.7	2,216,100	2,053,900	162,200	7.3
Bellingham MSA	57,400	53,100	4,300	7.5	58,000	53,900	4,100	7.1	56,900	52,300	4,600	8.1
Bremerton MSA	71,300	67,500	3,800	5.3	72,300	68,200	4,100	5.7	70,600	66,200	4,400	6.2
Olympia MSA	70,900	65,900	5,000	7.1	71,600	66,800	4,800	6.7	69,700	64,300	5,400	7.7
Seattle PMSA	995,500	937,200	58,300	5.9	990,400	934,100	56,300	5.7	964,300	904,300	60,000	6.2
King County 2/	792,200	747,900	44,300	5.6	789,600	745,500	44,100	5.6	768,100	721,700	46,400	6.0
Snohomish County 2/	203,300	189,300	14,000	6.9	200,900	188,700	12,200	6.1	196,100	182,600	13,500	6.9
Spokane MSA	162,800	152,100	10,700	6.6	161,300	150,700	10,600	6.6	163,200	151,300	11,900	7.3
Tacoma PMSA	237,700	219,900	17,800	7.5	238,700	221,200	17,500	7.3	234,200	215,500	18,700	8.0
Tri-Cities MSA	68,200	62,900	5,300	7.8	67,900	61,900	6,000	8.8	69,900	64,000	5,900	8.4
Benton County 2/	52,400	48,500	3,900	7.4	51,900	47,700	4,200	8.1	53,800	49,300	4,500	8.4
Franklin County 2/	15,800	14,400	1,400	8.9	15,900	14,100	1,800	11.3	16,000	14,600	1,400	8.8
Vancouver PMSA	108,400	100,600	7,800	7.2	108,200	100,200	8,000	7.4	105,900	97,500	8,400	7.9
Yakima MSA	93,800	86,900	6,900	7.4	92,700	84,700	8,000	8.6	96,300	87,400	8,900	9.2
Adams	6,890	6,440	450	6.5	6,710	6,200	510	7.6	6,840	6,240	600	8.8
Asotin	8,450	7,870	580	6.9	8,710	8,150	560	6.4	8,360	7,780	580	6.9
Clallam	23,630	21,460	2,170	9.2	23,460	21,670	1,790	7.6	22,990	20,980	2,010	8.7
Columbia	1,680	1,400	280	16.7	1,850	1,540	310	16.8	1,660	1,400	260	15.7
Cowlitz	34,500	30,750	3,750	10.9	32,480	29,560	2,920	9.0	34,950	31,540	3,410	9.8
Ferry	2,530	2,320	210	8.3	2,610	2,370	240	9.2	2,540	2,280	260	10.2
Garfield	1,020	970	50	4.9	1,060	1,010	50	4.7	1,000	940	60	6.0
Grant	26,390	24,240	2,150	8.1	26,190	23,920	2,270	8.7	27,520	25,230	2,290	8.3
Grays Harbor	26,120	23,160	2,960	11.3	25,870	23,420	2,450	9.5	26,060	23,100	2,960	11.4
Island	17,810	16,740	1,070	6.0	18,020	17,010	1,010	5.6	17,090	16,080	1,010	5.9
Jefferson	8,690	8,120	570	6.6	8,790	8,250	540	6.1	8,530	7,980	550	6.4
Kittitas	11,320	10,400	920	8.1	11,330	10,470	860	7.6	11,380	10,520	860	7.6
Klickitat	7,200	6,280	920	12.8	7,120	6,170	950	13.3	7,860	7,040	820	10.4
Lewis	24,430	21,380	3,050	12.5	23,910	21,740	2,170	9.1	24,060	21,660	2,400	10.0
Lincoln	4,340	4,100	240	5.5	4,500	4,280	220	4.9	4,530	4,270	260	5.7
Mason	12,610	11,690	920	7.3	12,830	11,950	880	6.9	12,950	11,840	1,110	8.6
Okanogan	16,350	14,990	1,360	8.3	16,080	14,150	1,930	12.0	16,560	14,820	1,740	10.5
Pacific	6,720	5,980	740	11.0	6,990	6,350	640	9.2	7,120	6,420	700	9.8
Pend Oreille	2,870	2,440	430	15.0	2,930	2,470	460	15.7	3,360	2,710	650	19.3
San Juan	5,900	5,660	240	4.1	6,320	6,120	200	3.2	5,100	4,900	200	3.9
Skagit	33,060	29,730	3,330	10.1	35,100	32,210	2,890	8.2	32,690	29,360	3,330	10.2
Skamania	2,610	2,140	470	18.0	2,420	2,100	320	13.2	2,470	2,120	350	14.2
Stevens	11,170	10,210	960	8.6	11,180	10,130	1,050	9.4	10,980	9,770	1,210	11.0
Wahkiakum	1,230	1,020	210	17.1	1,130	1,030	100	8.8	1,160	1,020	140	12.1
Walla Walla	22,900	21,480	1,420	6.2	22,270	20,730	1,540	6.9	23,490	21,750	1,740	7.4
Wenatchee Labor Area	43,060	40,210	2,850	6.6	41,470	37,590	3,880	9.4	45,120	41,330	3,790	8.4
Chelan County 2/	29,170	27,170	2,000	6.9	28,010	25,400	2,610	9.3	30,570	27,930	2,640	8.6
Douglas County 2/	13,890	13,040	850	6.1	13,460	12,190	1,270	9.4	14,540	13,400	1,140	7.8
Whitman	18,790	18,210	580	3.1	17,260	16,720	540	3.1	18,740	18,030	710	3.8

1/ Estimates provided here are for use as an economic time-series.

2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

October 29, 1987
Benchmark: 1986

(Not Seasonally Adjusted)

	SEPTEMBER 1987 PRELIMINARY 1/				AUGUST 1987 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,239,300	2,099,500	139,800	6.2	2,234,200	2,092,400	141,800	6.3
Bellingham MSA	57,100	53,200	3,900	6.8	57,800	54,000	3,800	6.6
Bremerton MSA	71,100	67,600	3,500	4.9	72,100	68,300	3,800	5.3
Olympia MSA	70,600	66,000	4,600	6.5	71,400	66,900	4,500	6.3
Seattle PMSA	992,300	939,000	53,300	5.4	988,700	935,700	53,000	5.4
King County 2/	790,000	749,400	40,600	5.1	788,300	746,700	41,600	5.3
Snohomish County 2/	202,400	189,600	12,800	6.3	200,500	189,000	11,500	5.7
Spokane MSA	162,200	152,400	9,800	6.0	161,000	151,000	10,000	6.2
Tacoma MSA	236,600	220,300	16,300	6.9	238,100	221,600	16,500	6.9
Tri-Cities MSA	67,900	63,000	4,900	7.2	67,700	62,000	5,700	8.4
Benton County 2/	52,200	48,600	3,600	6.9	51,800	47,800	4,000	7.7
Franklin County 2/	15,700	14,400	1,300	8.3	15,900	14,200	1,700	10.7
Vancouver PMSA	107,900	100,800	7,100	6.6	108,000	100,400	7,600	7.0
Yakima MSA	93,400	87,100	6,300	6.7	92,300	84,800	7,500	8.1
Adams	6,860	6,450	410	6.0	6,690	6,210	480	7.2
Asotin	8,420	7,890	530	6.3	8,690	8,160	530	6.1
Clallam	23,490	21,500	1,990	8.5	23,380	21,700	1,680	7.2
Columbia	1,650	1,400	250	15.2	1,830	1,540	290	15.8
Cowlitz	34,240	30,810	3,430	10.0	32,350	29,600	2,750	8.5
Ferry	2,520	2,330	190	7.5	2,600	2,380	220	8.5
Garfield	1,010	970	40	4.0	1,060	1,010	50	4.7
Grant	26,260	24,290	1,970	7.5	26,100	23,960	2,140	8.2
Grays Harbor	25,920	23,210	2,710	10.5	25,770	23,460	2,310	9.0
Island	17,750	16,770	980	5.5	17,980	17,030	950	5.3
Jefferson	8,660	8,140	520	6.0	8,770	8,260	510	5.8
Kittitas	11,260	10,420	840	7.5	11,300	10,490	810	7.2
Klickitat	7,130	6,290	840	11.8	7,070	6,180	890	12.6
Lewis	24,210	21,420	2,790	11.5	23,820	21,770	2,050	8.6
Lincoln	4,330	4,110	220	5.1	4,500	4,290	210	4.7
Mason	12,550	11,710	840	6.7	12,800	11,970	830	6.5
Okanogan	16,270	15,020	1,250	7.7	15,990	14,170	1,820	11.4
Pacific	6,670	5,990	680	10.2	6,960	6,360	600	8.6
Pend Oreille	2,850	2,450	400	14.0	2,900	2,470	430	14.8
San Juan	5,890	5,670	220	3.7	6,320	6,130	190	3.0
Skagit	32,830	29,780	3,050	9.3	34,980	32,260	2,720	7.8
Skamania	2,580	2,150	430	16.7	2,410	2,110	300	12.4
Stevens	11,110	10,230	880	7.9	11,140	10,150	990	8.9
Wahkiakum	1,210	1,020	190	15.7	1,120	1,030	90	8.0
Walla Walla	22,820	21,520	1,300	5.7	22,210	20,760	1,450	6.5
Wenatchee Labor Area	42,900	40,290	2,610	6.1	41,300	37,650	3,650	8.8
Chelan County 2/	29,060	27,230	1,830	6.3	27,900	25,440	2,460	8.8
Douglas County 2/	13,840	13,060	780	5.6	13,410	12,210	1,200	8.9
Whitman	18,780	18,250	530	2.8	17,260	16,750	510	3.0

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/

NOT SEASONALLY ADJUSTED Industry	Sep. 1987 (Prel.)	Aug. 1987 (Rev.)	Sep. 1986 (Rev.)	Aug. 1986 (Rev.)	Numerical Change: Aug. 87 to Sep. 87	Numerical Change: Sep. 86 to Sep. 87
	(In Thousands)					
TOTAL NONAG. WAGE AND SALARY....	1867.8	1848.4	1804.7	1782.4	19.4	63.1
MANUFACTURING.....	325.4	321.9	311.4	309.1	3.5	14.0
Durable Goods.....	226.4	224.3	214.8	213.7	2.1	11.6
Lumber & Wood Products.....	41.3	41.0	39.3	38.9	0.3	2.0
Furniture & Fixtures.....	4.2	4.2	3.9	3.9	0.0	0.3
Stone, Clay & Glass.....	6.6	6.6	6.6	6.6	0.0	0.0
Primary Metals.....	11.9	11.6	11.4 3/	11.4 3/	0.3	0.5
Aluminum.....	8.0	7.6	7.2 3/	7.2 3/	0.4	0.8
Fabricated Metals.....	10.9	10.7	10.6	10.4	0.2	0.3
Machinery.....	28.6	28.6	28.6	28.7	0.0	-0.0
Machinery (Exc. Elec.)...	16.4	16.4	16.3	16.4	0.0	0.1
Electrical Equip.....	12.2	12.2	12.3	12.3	0.0	-0.1
Transportation Equip.....	108.0	106.3	99.5	98.8	1.7	8.5
Aerospace.....	94.6	93.4	87.1	86.7	1.2	7.5
Other Transp. Equip.....	13.4 3/	12.9 3/	12.4	12.1	0.5	1.0
Instruments & Related.....	10.1	10.5	10.3	10.4	-0.4	-0.2
Misc. Manufacturing.....	4.8	4.8	4.6	4.6	0.0	0.2
Nondurable Goods.....	99.0	97.6	96.6	95.4	1.4	2.4
Food & Kindred Products....	35.1	33.8	34.5	33.4	1.3	0.6
Canned & Preserved Foods.	14.3	12.8	14.3	13.1	1.5	0.0
Apparel & Allied Products..	6.7	6.6	6.4	6.4	0.1	0.3
Paper & Allied Products....	17.5	17.5	17.3	17.4	0.0	0.2
Printing & Publishing.....	19.5	19.4	18.8	18.6 3/	0.1	0.7
Chemicals & Allied Products	11.6	11.7	11.6	11.6	-0.1	0.0
Other Nondurable Goods 2/..	8.6	8.6	8.0	8.0	0.0	0.6
MINING & QUARRYING	3.1	3.0	3.0	3.1	0.1	0.1
CONSTRUCTION.....	97.8	97.9 3/	93.5	93.4	-0.1	4.3
TRANSP.,COMM. & UTIL.....	101.4 3/	101.5 3/	98.0	97.6	-0.1	3.4
WHOLESALE & RETAIL TRADE.....	468.3	467.4	445.1	442.6	0.9	23.2
Wholesale Trade.....	115.2	113.9	110.6	109.2	1.3	4.6
Retail Trade.....	353.1	353.5	334.5	333.4	-0.4	18.6
FIN. INS. & REAL ESTATE.....	108.1	108.7	107.2	107.0	-0.6	0.9
SERVICES.....	418.8	414.4	402.4	397.7	4.4	16.4
Health Services.....	129.2	128.7	123.6	123.3	0.5	5.6
GOVERNMENT.....	344.9	333.6	344.1	331.9	11.3	0.8
Federal.....	73.3	73.8	71.2	71.5	-0.5	2.1
State & Local.....	271.6 3/	259.8	272.9	260.4 3/	11.8	-1.3
Education.....	133.5 3/	116.4	137.7	117.1 3/	17.1	-4.2
(WORKERS IN LABOR-MANAGEMENT DISPUTES.....	1.8	0.5	0.5	0.5	1.3	1.3

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Workers excluded because of involvement in labor-management disputes.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	Prelim SEP Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Sept-87	Aug-87	Sept-86	Sept-87	Aug-87	Sept-86	Sept-87	Aug-87	Sept-86
TOTAL MANUFACTURING INDUSTRIES*	197,200	$465.63	$469.26	$460.59	38.9	39.5	39.4	$11.97	$11.88	$11.69
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	36,000	$376.68	$391.29	$398.12	34.4	35.8	37.0	$10.95	$10.93	$10.76
Primary Metal Industries	9,600	$556.16	$542.82	**$552.12	44.0	43.6	42.8	$12.64	$12.45	$12.90
Fabricated Metal Products	8,300	$427.50	$438.69	$439.48	38.0	39.7	39.7	$11.25	$11.05	$11.07
Machinery	16,900	$369.31	$377.06	$386.46	37.8	39.4	39.8	$9.77	$9.57	$9.71
Food and Kindred Products	25,900	$364.42	$360.91	$341.51	37.3	37.4	37.0	$9.77	$9.65	$9.23
Chemical and Allied Products	5,100	$633.42	$622.64	$588.52	41.7	43.0	40.7	$15.19	$14.48	$14.46
Transportation Equipment	45,100	** $606.10	**$611.58	$569.94	41.8	42.5	42.0	$14.50	$14.39	$13.57
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	72,700	$565.60	**$606.49	$589.54	35.0	37.6	36.3	$16.16	$16.13	$16.02
Wholesale and Retail Trade (does not include eating and drinking establishments)	285,300	$340.22	$338.44	$320.60	35.7	35.7	33.5	$9.53	$9.48	$9.57

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor-management disputes.

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Washington LABOR MARKET

JOB SERVICE

Washington State
Employment Security

Isiah Turner
Commissioner

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Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

November 1987

Highlights

Outlook Uncertain

Uncertainty over the future direction of the economy continues following the sharp drop in stock market prices in mid-October. The rise in interest rates, which was at least partially responsible for the decline in the stock market, ended after the Federal Reserve injected new funds into the banking system.

Long term problems threatening the economy persist. The trade deficit widened in the third quarter, while the nation's budget deficit will remain large even if the deficit reduction agreement between the Administration and Congressional leaders is enacted. Financing budget deficits, of course, puts upward pressure on interest rates, and with the value of the dollar declining in terms of foreign currency, the continued influx of funds from abroad is less certain.

Volume 11, Number 11

	Oct. 1987* (Prel.)	Sept. 1987* (Rev.)	Oct. 1986
Civilian Labor Force	2,268,900	2,250,700	2,231,300
Total Employment	2,110,700	2,097,400	2,055,700
Total Unemployment	158,200	153,300	165,600
State Unemployment Rate	7.0	6.8	7.5
National Civilian Unemployment Rate	5.7	5.7	6.6

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

Labor Market Conditions Strong

While the outlook is cloudy, labor market conditions in both the state and nation were strong in October. Nationally, civilian employment rose 415,000 in October after seasonally adjustment and was up 3,000,000 or 2.7 percent over the year. Unemployment in the civilian labor force after seasonal adjustment edged up from 5.9 to 6.0 percent between September and October but was down from 6.9 percent in October 1986. In Washington State employment rose 13,300 in October. The increase was greater than normal for this time of the year and after seasonal adjustment, employment moved up 21,200. Over the year, total employment in the state rose 55,000 to match the 2.7 percent gain nationally. Unemployment increased from 6.8 to 7.0 percent in Washington between September and October but unemployment normally increases more at this time of the year. After seasonal adjustment, the rate dropped from 7.8 to 7.6 percent. Over the year, the jobless rate in the state dropped one-half point, from 7.5 to 7.0 percent.

OCTOBER INDUSTRY DEVELOPMENTS

Education Job Gains Offset Seasonal Losses

Nonagricultural wage and salary employment increased 7,500 between September and October as seasonal growth in education jobs more than offset losses in food processing, construction, tourist-related businesses in the trade and

services industries and other activities which normally begin to cut back at the end of summer. Public education employment rose 19,700. Many of the new jobs were at universities and colleges where the academic year begins after mid-September. (Employment estimates related to the week including the 12th of the month.) Growth in higher education was augmented by continued hiring at elementary and secondary schools which were rounding out their staffing for the new school year. The increase in public payrolls, however, was pared by seasonal reductions in park, playground and forestry payrolls, which reduced the net increase in civilian government payrolls to 12,900.

Fewer Tourist Jobs

Retail trade employment fell back 2,200 in October with the summer tourist season over and fewer jobs at restaurants and gasoline service stations. The end of several hundred temporary jobs at food stands and other eating places at fairs, especially the Western Washington Fair in Puyallup, also reduced employment. Retail payrolls, however, will expand in November and December as temporary workers are hired to serve holiday shoppers. In 1986, employment in retail trade rose 7,500 between October and December.

Private Education Up

Less tourist business also reduced employment in several service industries including hotels, motels, resorts, amusement parks, carnivals, golf courses and other summer-oriented businesses. Nonetheless, employment in the services group moved up 1,000 in October as the losses were more than offset by seasonal gains in private education and further growth in medical care jobs.

In most other nonmanufacturing industries employment was lower. Construction payrolls fell 1,000, but the drop was less than normal for October as dry, relatively warm weather allowed some outdoor projects to continue which would have been slowed or closed down until spring in most years. Transportation-communications-utilities had 1,100 fewer jobs because of normal seasonal reductions in transportation. Utilities employment also fell because of the decline in building activity at this time of the year. Finance, insurance and real estate employed 1,000 fewer workers in October, which was largely due to the usual cutback in real estate activity at the beginning of fall.

Canneries Winding Down

Manufacturing employment slipped 1,200 in October mainly due to seasonal cutbacks in food products where activity at canning and freezing plants began winding down for the year. Snack food manufacturers also reduced production seasonally. The only other sizable reduction was in lumber and wood products which fell 600. Losses normally occur in the industry with the onset of autumn because of less demand from the building industry and less favorable weather. This year, however, the less favorable weather was a drought which resulted in restrictions on logging because of the danger of forest fires.

Partially offsetting these losses was an increase of 900 in transportation equipment. Aerospace accounted for 700 of the new jobs as it continued its expansion. The current expansion in aerospace has lasted four years. Since October 1983, aerospace employment in the state has increased 33,000 or over 50 percent. "Other transportation equipment" augmented the increase in aerospace in October with a gain of 200. All of the increase was in boatbuilding where pleasure boat manufacturing is booming.

YEAR-TO-YEAR DEVELOPMENTS

74,000 New Jobs

Nonagricultural wage and salary employment in the state is not only well above year-earlier levels but has increased its margin of growth in recent months. On an average annual basis, nonfarm payroll employment rose nearly 60,000 between 1985 and 1986. In October, however, wage and salary employment was up 74,000 over the year.

Most of the expansion continues to be in the trade (up 25,200) and services (up 18,900) industries which together accounted for nearly six out of every ten new jobs. Significant growth, however, occurred in other sectors including manufacturing.

Construction employment advanced 5,600 year to year despite weakness in homebuilding because of higher mortgage rates this year. Commercial, highway and other public construction accounted for most of the expansion. Transportation, communications and utilities added 3,900 workers over the year. Trucking and warehousing was credited with about two-thirds of the increase, while air transportation also reported substantial employment growth. Communications,

though, was lower because of more competition following deregulation of the telephone industry and the need to improve profit margins. Finance, insurance and real estate was up 1,100 from October 1986. Commercial banking, however, employed fewer workers because of mergers and the need to improve profit margins. Real estate firms also reduced employment over the year, reflecting the impact of higher interest rates on home sales.

Government Jobs Up Slightly

Government civilian employment increased 4,100 over the year. The relative gain was small, up only 1.2 percent compared with the overall increase of 4.1 percent in nonagricultural payroll employment. Budget deficits on the federal level and slow growth in tax revenue on the state and local level are likely to continue to restrain growth in government jobs.

Manufacturing Expanding

Manufacturing employment added 15,000 year to year, and despite long-term retrenchment in lumber, shipbuilding, and primary metals was at an all-time October high. The previous high for October was 319,700 in 1979. This October 324,100 were employed in manufacturing, although there were sizable shifts in individual industries from 1979. Major losses from 1979 occurred in lumber (down 12,200), primary metals (down 5,300), other transportation equipment - mainly shipbuilding (down 7,100), and food products (down 2,700). Offsetting these losses were gains in aerospace (up 19,000), machinery (up 2,900), instruments (up 4,200), printing-publishing (up 3,800), chemicals (up 2,800) and other nondurable goods - including plastics (up 3,400).

In the latest 12-month period, aerospace added 7,800 workers to account for over half of the new manufacturing jobs. Lumber posted a moderate gain of 1,900 as brisk export demand from Japan more than offset the effect of the decline in housing starts in the U.S. Although shipbuilding was down 500 over the year, the loss was more than offset by growth at firms building pleasure boats and higher employment at truck-trailer manufacturers. As a result, employment in "other transportation equipment" advanced 1,000 year to year. Several other manufacturing industries were also credited with gains over the year. While smaller, they added depth to the current expansion.

AREA DEVELOPMENTS

Unemployment Up In Most Areas

Unemployment increased in most areas of the state between September and October, prior to seasonal adjustment. Total employment also increased because of the expansion in education, but few of those laid off in food processing, lumber, construction and other declining industries were hired in education.

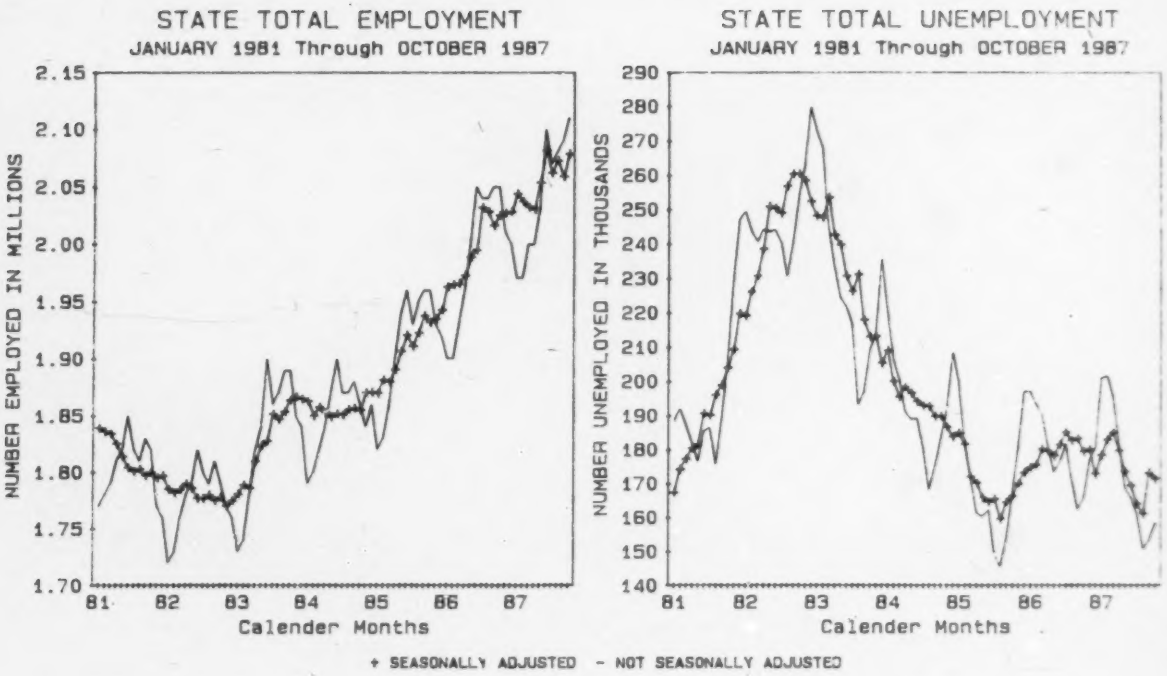
The jobless rate rose more in Eastern Washington than on the west side largely because of layoffs at food processing plants which are concentrated east of the Cascades. In Eastern Washington the unemployment rate moved up from 7.1 to 7.5 percent over the month, while the rate in Western Washington edged up from 6.7 to 6.8 percent. In Yakima County a late apple harvest boosted employment nearly 3,000, but these jobs were largely filled by migrants, which did little to reduce local unemployment. Unemployment, in fact, rose 1,700 and the jobless rate in the county jumped from 7.5 to 8.8 percent mainly because of layoffs in food processing and other seasonally declining industries.

Seattle's Rate Down

On the west side the overall change was strongly influenced by the developments in the Seattle Metropolitan Area where the rate edged down from 5.9 to 5.8 percent. Seattle, of course, is less dependent on seasonal industries such as food processing and lumber than the rest of the state. The relative stability in Seattle helped moderate increases in other Western Washington areas, especially counties highly dependent on the lumber industry which lost jobs in October.

Unemployment Up In Lumber Counties Over The Year

The unemployment rate fell in most areas of the state over the year. Counties highly dependent on the lumber industry, however, were an exception. The overall rate in these 14 counties rose from 10.3 percent in October 1986 to 10.7 percent in October 1987. Lumber employment has expanded over the year, but not enough to prevent unemployment from rising in these areas. Restrictions in logging this October because of fire danger contributed to the higher unemployment in logging areas.



INDUSTRY NOTES

Record Lumber Production Forecast

The Western Wood Products Association expects U.S. lumber consumption to total 50.1 billion board feet in 1987 and set a record for the fourth straight year. Housing starts have declined this year because of higher mortgage rates, but home remodeling has expanded. Export demand for logs and lumber has also picked up. While homebuilding has declined in the U.S., in Japan it jumped from 1.3 million starts in 1986 to a projected 1.6 million in 1987. In the first half of 1987, log exports to Japan increased 17 percent, while lumber exports rose 24 percent from the comparable period in 1986.

Lumber Production May Drop In 1988

A further expansion in lumber consumption next year is unlikely. A U.S. Forest Service researcher has forecast that U.S. lumber production and consumption will fall four to seven percent in 1988 because of the loss of wealth and lowered confidence in the economy following the sharp drop in the stock market in October. Housing starts are expected to fall eight percent in 1988 as a result of the stock market losses, overbuilding in 1986 and new tax laws which eliminated some incentives for building apartments.

Rainfall Restores Job

In mid-November the Simpson Tacoma Kraft Co. began recalling workers laid off in October when it was forced to reduce operations because of a shortage of water. Rainfall in November increased the water supply, but a shortage still exists. A spokesman for Simpson said it would take some time before all 130 affected workers are recalled because of the time necessary to increase production. Greater pulp and production will also help the sawmills and chipping mills which sell woodchips to the plant.

Airbus Subsidies Threaten Boeing Jobs

A forecast in the Annual Foreign Trade Barriers Report indicates European subsidies to Airbus Industrie's A320 jetliner could cost the U.S. 50,000 jobs, including 33,000 at Boeing. This assumes that Airbus sells 600 of the aircraft by 1998. Through September, 297 orders and options have been received for the A320 according to Airbus. The A320 competes with Boeing's smaller 737 aircraft and the Douglas MD-80. The report claims the subsidies will lower U.S. sales by 150 planes.

U.S. and Western European trade officials are now negotiating a new agreement on competition in the aircraft industry. The new agreement is expected to require future subsidies to Airbus be repaid, prohibit the sale of aircraft below cost and improper inducements and pressure on airlines and governments. The agreement is also expected to address how government funds for military projects will be repaid when those projects have commercial applications. Airbus claims U.S. aircraft manufacturers are subsidized through military contracts. The negotiated agreement is expected to be presented to the ministers of the European Economic Community on December 10 and 11.

$750 Million Space Contract for Boeing

The Boeing Company was awarded a $750 million space-station contract in early December which could lead to $3 billion or more in related contracts over the next 20 years according to a Boeing spokesman. In the current contract, Boeing will build living and working quarter modules and a logistics module for the space station. About 1,500 jobs will result from the contract. The modules will be built in Alabama. Boeing sought the housing and laboratory contract because it believes it will lead to future contracts as space research expands. Much of that work will be done in Seattle, according to a company spokesman.

150 Jobs Cut At Fairchild Plant

National Semiconductor Corp. announced in November that it was eliminating 150 jobs at the Fairchild plant in Puyallup which it acquired in October. The layoffs are part of a plan to streamline and reorganize the company following its merger with Fairchild. Fifty of the jobs will be transferred to a National plant in Maine and 100 will be eliminated. The positions being eliminated are non-production jobs providing support services. Following the merger, many of those positions were no longer necessary.

Few, if any, workers will be offered transfers, but the company will help those affected find new jobs and will provide "substantial severance packages." A company spokesman said that the long-term prospects for the plant were good, and that the firm expects to move one operation from California to Puyallup next year. No estimate of the number of jobs involved was given.

Layoffs at Hanford

Westinghouse Hanford, the major contractor at the Hanford Nuclear Reservation, has asked its employees to volunteer to be laid off because funding reductions are likely in a number of its programs. Workers who resign by November 16 can receive one week's pay for each year of employment at Hanford, up to a maximum of ten weeks.

NATIONAL INDICATORS

Leading Indicators Down

Economic indicators have taken on a more pessimistic tone with a decline in the leading indicator index, lower consumer confidence and a sharp drop in housing starts. The Index of Leading Economic Indicators, the governments main barometer of economic activity, fell 0.2 percent in October largely because of lower stock market prices. Most of other leading indicators advanced. Without the decline in stocks the index would have increased about 0.9 percent. The drop in stock market prices, however, was not fully reflected in the index because the average of daily closing prices is used. The index in October, therefore, includes high stock prices before October 19 as well as the lower prices after the sharp drop. The overall index is expected to be down substantially in November because of lower stock prices alone.

While the drop in the stock index accounted for most of the decline in the Leading Indicator Index in October, slight declines also occurred in orders for consumer goods and building permits. On the positive side, the average workweek in manufacturing advanced sharply, but that partially reflects recovery from a decline in September which resulted from a late Labor Day. Other leading indicators moving in a positive direction in October included initial claims for unemployment compensation (declined), the business delivery index, orders for plant and equipment, sensitive material prices, and the money supply. Data were not available for the preliminary October estimate on credit outstanding or changes in inventories.

Consumer Confidence Down

Surveys by the University of Michigan and the Conference Board, an industry-supported research group, indicated consumer confidence fell in November because the stock market crash lowered expectations on the economy. The university's Survey Research Center reported its index of consumer sentiment fell to 83.1 in November from 89.3 in October and 93.6 in September. The Conference Board's confidence index fell to 96.3 in November from a 15-year high of 117 in early October. However, their survey indicated U.S. households plan to spend about the same on holiday gifts this year as last year. The director of the board's Consumer Research Center said that the index in November was still up from a year ago despite the drop. He noted that in a recession the index falls to around 50.

Purchasing Agents See Slower Growth

The monthly survey of 250 purchasing managers by the National Association of Purchasing Management indicated production and new orders increased for the 11th consecutive month, but the growth rate slowed. Over half of the purchasing agents surveyed believe that its too early to estimate the impact of the stock market decline on their companies, while 31 percent expect no change. Another ten percent expect business at their firms to decline and six percent believe their business will increase because of the stock market drop. The survey's composite index fell to 58.9 in November from 61.8 in October. A figure over 50 percent generally indicates the economy is expanding.

Housing Starts Down

National housing starts fell 8.2 percent in October to their lowest level since April 1983. Analysts blamed the decline on the drop in stock

rket prices and high mortgage rates which proceeded the October 19th crash. Some analysts expect the recent drop in interest rates to prevent further declines in housing starts. Mortgage rates rose from around 10.25 to 10.50 percent in early July to about 12 percent in early October. By mid-November they declined to around 10.75 percent.

CONSUMER PRICE INDEX*

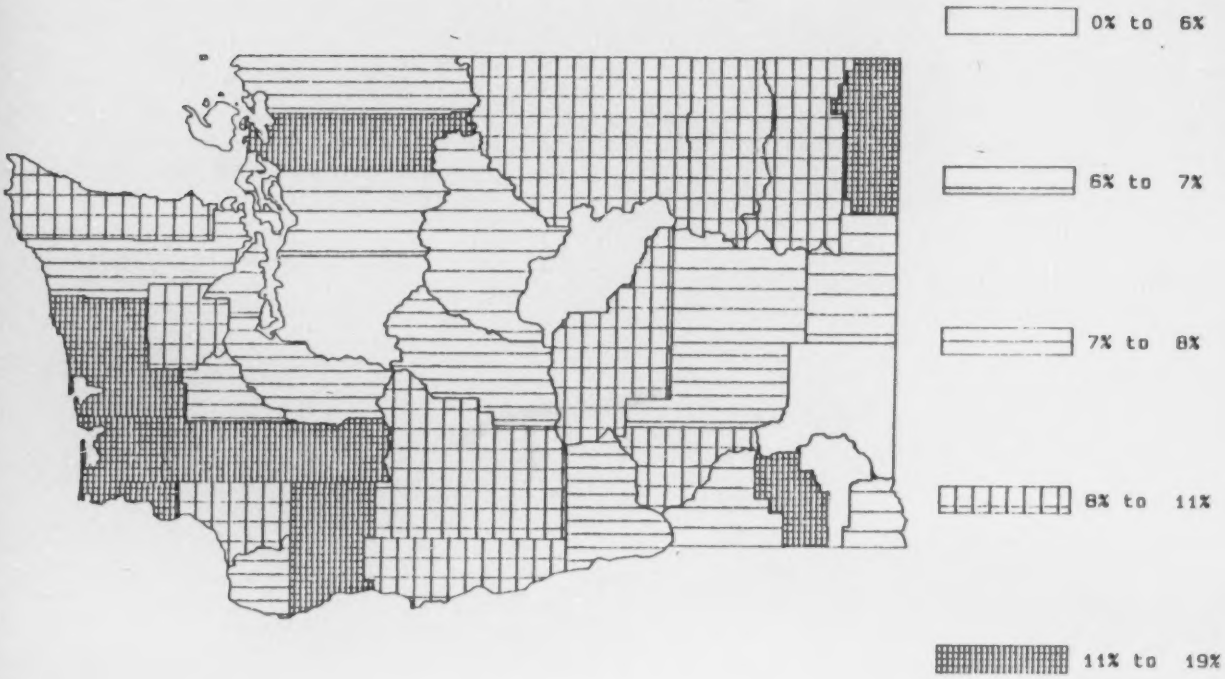
(All Items, Urban Consumers, 1967=100)

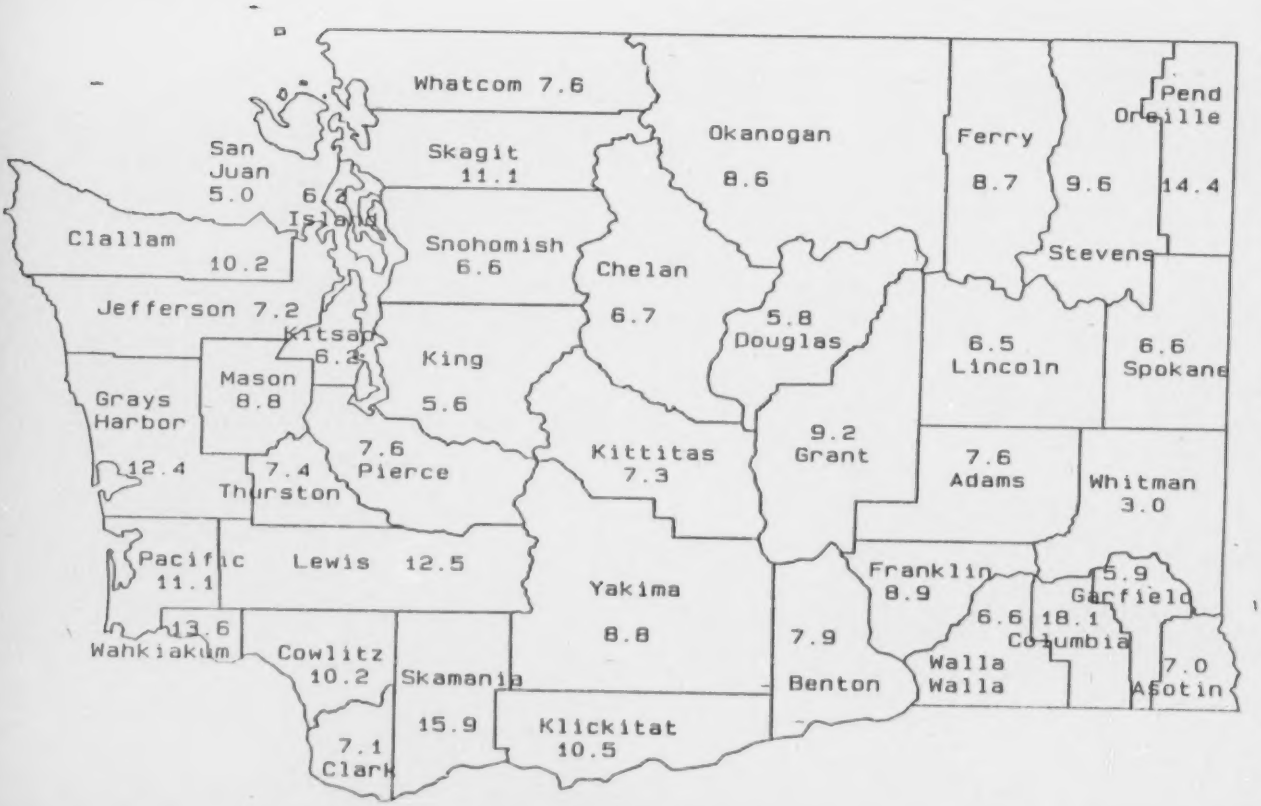
	INDEXES			PERCENT CHANGE Year Ending	
	Oct. 1987	Sept. 1987	Oct. 1986	Oct. 1987	Sept. 1987
U.S. City Average	345.3	344.4	330.5	4.5	4.3
	Jan.-June 1987	Jan.-June 1986		Jan.-June '86 to Jan.-June '87	
Seattle*	329.7	324.9		1.5	

* The Bureau of Labor Statistics no longer develops bimonthly CPI data for the Seattle area. Beginning this year the Seattle index will be published twice a year. The index for Seattle reflects prices in King, Pierce and Snohomish counties.

OCTOBER UNEMPLOYMENT RATES

State of Washington 7.0





Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT
ESTIMATES FOR FEDERAL PROGRAM PURPOSES

December 2, 1987
Benchmark: 1986

(Not Seasonally Adjusted)

	OCTOBER 1987 PRELIMINARY 1/				SEPTEMBER 1987 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,270,200	2,123,000	147,200	6.5	2,241,600	2,101,300	140,300	6.3
Bellingham MSA	59,100	54,900	4,200	7.1	57,100	53,200	3,900	6.8
Bremerton MSA	73,000	68,800	4,200	5.8	71,200	67,700	3,500	4.9
Olympia MSA	71,400	66,500	4,900	6.9	70,600	66,000	4,600	6.5
Seattle PMSA	1,006,000	951,400	54,600	5.4	992,200	938,700	53,500	5.4
King County 2/	801,300	759,300	42,000	5.2	789,700	749,100	40,600	5.1
Snohomish County 2/	204,800	192,200	12,600	6.2	202,500	189,600	12,900	6.4
Spokane MSA	165,000	154,800	10,200	6.2	162,500	152,800	9,700	6.0
Tacoma MSA	239,500	222,600	16,900	7.1	236,700	220,400	16,300	6.9
Tri-Cities MSA	67,900	62,700	5,200	7.7	67,800	62,900	4,900	7.2
Benton County 2/	52,200	48,400	3,800	7.3	52,200	48,600	3,600	6.9
Franklin County 2/	15,600	14,300	1,300	8.3	15,700	14,400	1,300	8.3
Vancouver PMSA	109,900	102,600	7,300	6.6	109,400	102,200	7,200	6.6
Yakima MSA	98,400	90,300	8,100	8.2	93,500	87,100	6,400	6.8
Adams	6,870	6,390	480	7.0	6,990	6,570	420	6.0
Asotin	8,420	7,870	550	6.5	8,420	7,880	540	6.4
Clallam	23,280	21,060	2,220	9.5	23,520	21,500	2,020	8.6
Columbia	1,760	1,460	300	17.0	1,640	1,390	250	15.2
Cowlitz	33,730	30,520	3,210	9.5	33,630	30,200	3,430	10.2
Ferry	2,420	2,220	200	8.3	2,510	2,320	190	7.6
Garfield	1,020	960	60	5.9	1,030	980	50	4.9
Grant	26,970	24,670	2,300	8.5	26,340	24,350	1,990	7.6
Grays Harbor	26,020	23,000	3,020	11.6	26,000	23,250	2,750	10.6
Island	17,990	16,940	1,050	5.8	17,740	16,760	980	5.5
Jefferson	8,360	7,800	560	6.7	8,640	8,130	510	5.9
Kittitas	11,990	11,180	810	6.8	11,380	10,530	850	7.5
Klickitat	7,320	6,600	720	9.8	7,320	6,470	850	11.6
Lewis	24,490	21,630	2,860	11.7	24,330	21,540	2,790	11.5
Lincoln	4,310	4,050	260	6.0	4,320	4,110	210	4.9
Mason	12,610	11,580	1,030	8.2	12,560	11,700	860	6.8
Okanogan	16,780	15,440	1,340	8.0	16,730	15,480	1,250	7.5
Pacific	6,560	5,880	680	10.4	6,660	5,980	680	10.2
Pend Oreille	2,750	2,380	370	13.5	2,850	2,450	400	14.0
San Juan	5,190	4,940	250	4.8	5,890	5,670	220	3.7
Skagit	32,740	29,340	3,400	10.4	33,060	30,010	3,050	9.2
Skamania	2,450	2,080	370	15.1	2,570	2,140	430	16.7
Stevens	10,980	9,990	990	9.0	10,930	10,060	870	8.0
Wahkiakum	1,170	1,020	150	12.8	1,210	1,020	190	15.7
Walla Walla	22,400	21,030	1,370	6.1	22,810	21,500	1,310	5.7
Wenatchee Labor Area	42,900	40,350	2,550	5.9	42,830	40,210	2,620	6.1
Chelan County 2/	29,080	27,270	1,810	6.2	29,020	27,170	1,850	6.4
Douglas County 2/	13,820	13,080	740	5.4	13,810	13,040	770	5.6
Whitman	18,560	18,050	510	2.7	18,640	18,110	530	2.8

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT
IN WASHINGTON STATE AND LABOR MARKET AREAS

DATE 12/2/87
Benchmark: 1986

(Not Seasonally Adjusted)

	OCTOBER 1987 PRELIMINARY 1/				SEPTEMBER 1987 REVISED 1/				OCTOBER 1986 REVISED			
	Labor Force	Employment	Unemploy-ment	Unemp. Rate	Labor Force	Employment	Unemploy-ment	Unemp. Rate	Labor Force	Employment	Unemploy-ment	Unemp. Rate
Washington State total	2,268,900	2,110,700	158,200	7.0	2,250,700	2,097,400	153,300	6.8	2,221,300	2,055,700	165,600	7.5
Bellingham MSA	59,000	54,500	4,500	7.6	57,400	53,100	4,300	7.5	57,600	53,000	4,600	8.0
Bremerton MSA	72,900	68,400	4,500	6.2	71,400	67,600	3,800	5.3	70,900	66,400	4,500	6.3
Olympia MSA	71,400	66,100	5,300	7.4	70,900	65,900	5,000	7.1	70,800	65,200	5,600	7.9
Seattle PMSA	1,004,600	945,900	58,700	5.8	995,400	936,900	58,500	5.9	975,300	914,600	60,700	6.2
King County 2/	800,100	754,900	45,200	5.6	792,100	747,700	44,400	5.6	777,000	729,900	47,100	6.1
Snohomish County 2/	204,500	191,000	13,500	6.6	203,300	189,200	14,100	6.9	198,400	184,700	13,700	6.9
Spokane MSA	164,800	153,900	10,900	6.6	163,100	152,500	10,600	6.5	165,100	153,000	12,100	7.3
Tacoma PMSA	239,500	221,300	18,200	7.6	237,800	220,000	17,800	7.5	233,800	214,700	19,100	8.2
Tri-Cities MSA	67,900	62,300	5,600	8.2	68,200	62,800	5,400	7.9	68,600	62,600	6,000	8.7
Benton County 2/	52,200	48,100	4,100	7.9	52,400	48,500	3,900	7.4	52,800	48,300	4,500	8.5
Franklin County 2/	15,700	14,300	1,400	8.9	15,800	14,400	1,400	8.9	15,800	14,300	1,500	9.5
Vancouver PMSA	109,800	102,000	7,800	7.1	109,900	102,000	7,900	7.2	104,800	95,600	9,200	8.8
Yakima MSA	98,500	89,800	8,700	8.8	93,900	86,900	7,000	7.5	96,000	86,500	9,500	9.9
Adams	6,880	6,360	520	7.6	7,010	6,550	460	6.6	6,780	6,120	660	9.7
Asotin	8,420	7,830	590	7.0	8,460	7,870	590	7.0	8,330	7,740	590	7.1
Clallam	23,320	20,940	2,380	10.2	23,670	21,460	2,210	9.3	22,460	20,410	2,050	9.1
Columbia	1,770	1,450	320	18.1	1,660	1,390	270	16.3	1,740	1,380	360	20.7
Cowlitz	33,800	30,350	3,450	10.2	33,890	30,150	3,740	11.0	34,630	31,330	3,300	9.5
Ferry	2,410	2,200	210	8.7	2,520	2,310	210	8.3	2,550	2,260	290	11.4
Garfield	1,010	950	60	5.9	1,030	980	50	4.9	1,010	930	80	7.9
Grant	26,990	24,520	2,470	9.2	26,470	24,300	2,170	8.2	26,480	24,080	2,400	9.1
Grays Harbor	26,110	22,860	3,250	12.4	26,210	23,210	3,000	11.4	25,840	22,820	3,020	11.7
Island	17,980	16,850	1,130	6.3	17,790	16,720	1,070	6.0	17,030	16,000	1,030	6.0
Jefferson	8,360	7,760	600	7.2	8,680	8,120	560	6.5	8,160	7,530	630	7.7
Kittitas	11,980	11,110	870	7.3	11,440	10,510	930	8.1	12,030	11,130	900	7.5
Klickitat	7,330	6,560	770	10.5	7,390	6,460	930	12.6	7,700	6,970	730	9.5
Lewis	24,590	21,510	3,080	12.5	24,550	21,500	3,050	12.4	24,250	21,720	2,530	10.4
Lincoln	4,300	4,020	280	6.5	4,330	4,100	230	5.3	4,480	4,190	290	6.5
Mason	12,620	11,510	1,110	8.8	12,620	11,680	940	7.4	13,320	12,210	1,110	8.3
Okanogan	16,790	15,350	1,440	8.6	16,820	15,450	1,370	8.1	16,950	15,270	1,680	9.9
Pacific	6,580	5,850	730	11.1	6,710	5,970	740	11.0	7,040	6,290	750	10.7
Pend Oreille	2,770	2,370	400	14.4	2,890	2,450	440	15.2	3,070	2,460	610	19.9
San Juan	5,170	4,910	260	5.0	5,900	5,660	240	4.1	4,450	4,180	270	6.1
Skagit	32,820	29,170	3,650	11.1	33,280	29,950	3,330	10.0	32,000	28,530	3,470	10.8
Skamania	2,460	2,070	390	15.9	2,610	2,140	470	18.0	2,300	2,040	260	11.3
Stevens	10,990	9,930	1,060	9.6	11,000	10,040	960	8.7	10,710	9,470	1,240	11.6
Wahkiakum	1,180	1,020	160	13.6	1,220	1,020	200	16.4	1,170	1,040	130	11.1
Walla Walla	22,370	20,900	1,470	6.6	22,900	21,460	1,440	6.3	22,790	20,900	1,890	8.3
Wenatchee Labor Area	42,860	40,120	2,740	6.4	43,000	40,130	2,870	6.7	42,480	39,020	3,460	8.1
Chelan County 2/	29,050	27,110	1,940	6.7	29,150	27,120	2,030	7.0	28,790	26,370	2,420	8.4
Douglas County 2/	13,810	13,010	800	5.8	13,850	13,010	840	6.1	13,700	12,650	1,050	7.7
Whitman	18,490	17,940	550	3.0	18,650	18,070	580	3.1	18,580	17,960	620	3.3

1/ Estimates provided here are for use as an economic time-series.

2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/

NOT SEASONALLY ADJUSTED Industry	Oct. 1987 (Prel.)	Sep. 1987 (Rev.)	Oct. 1986 (Rev.)	Sep. 1986 (Rev.)	Numerical Change Sep. 87 to Oct. 87	Numerical Change Oct. 86 to Oct. 87
	(In Thousands)					
TOTAL NONAG. WAGE AND SALARY....	1877.5	1870.0	1803.5	1804.7	7.5	74.0
MANUFACTURING.....	324.1	325.3	309.1	311.4	-1.2	15.0
Durable Goods.....	226.7	226.5	214.3	214.8	0.2	12.4
Lumber & Wood Products.....	40.7	41.3	38.8	39.3	-0.6	1.9
Furniture & Fixtures.....	4.2	4.2	4.1	3.9	0.0	0.1
Stone, Clay & Glass.....	6.4	6.6	6.6	6.6	-0.2	-0.2
Primary Metals.....	11.9	11.9	11.6	11.4 3/	0.0	0.3
Aluminum.....	8.0	7.9	7.6	7.2 3/	0.1	0.4
Fabricated Metals.....	10.9	10.9	10.2	10.6	0.0	0.7
Machinery.....	28.8	28.7	28.1 3/	28.6	0.1	0.7
Machinery (Exc. Elec.)...	16.5	16.4	15.9 3/	16.3	0.1	0.6
Electrical Equip.....	12.3	12.3	12.2	12.3	0.0	0.1
Transportation Equip.....	108.9	108.0	100.1	99.5	0.9	8.8
Aerospace.....	95.3	94.6	87.5	87.1	0.7	7.8
Other Transp. Equip.....	13.6	13.4 3/	12.6	12.4	0.2	1.0
Instruments & Related.....	10.1	10.1	10.1	10.3	0.0	0.0
Misc. Manufacturing.....	4.8	4.8	4.7	4.6	0.0	0.1
Nondurable Goods.....	97.4	98.8	94.8	96.6	-1.4	2.6
Food & Kindred Products....	33.7	35.0	32.8	34.5	-1.3	0.9
Canned & Preserved Foods.	13.2	14.2	12.8	14.3	-1.0	0.4
Apparel & Allied Products..	6.6	6.7	6.5	6.4	-0.1	0.1
Paper & Allied Products....	17.3	17.5	17.0	17.3	-0.2	0.3
Printing & Publishing.....	19.7	19.5	19.0	18.8	0.2	0.7
Chemicals & Allied Products	11.5	11.5	11.6	11.6	0.0	-0.1
Other Nondurable Goods 2/..	8.6	8.6	7.9	8.0	0.0	0.7
MINING & QUARRYING	3.1	3.1	2.9	3.0	0.0	0.2
CONSTRUCTION.....	97.0	98.0	91.4	93.5	-1.0	5.6
TRANSP.,COMM. & UTIL.....	100.6	101.7 3/	96.7	98.0	-1.1	3.9
WHOLESALE & RETAIL TRADE.....	466.6	468.7	441.4	445.1	-2.1	25.2
Wholesale Trade.....	115.5	115.4	110.1	110.6	0.1	5.4
Retail Trade.....	351.1	353.3	331.3	334.5	-2.2	19.8
FIN. INS. & REAL ESTATE.....	107.3	108.3	106.2	107.2	-1.0	1.1
SERVICES.....	419.8	418.8	400.9	402.4	1.0	18.9
Health Services.....	130.0	129.3	123.6	123.6	0.7	6.4
GOVERNMENT.....	359.0	346.1	354.9	344.1	12.9	4.1
Federal.....	71.6	73.1	70.6	71.2	-1.5	1.0
State & Local.....	287.4	273.0 3/	284.3	272.9 3/	14.4	3.1
Education.....	154.3	134.6 3/	152.8	137.7 3/	19.7	1.5
(WORKERS IN LABOR-MANAGEMENT DISPUTES.....	0.0	1.8	0.1	0.5	-1.8	-0.1

_1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

_2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

_3/ Workers excluded because of involvement in labor-management disputes.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	Prelim Oct Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Oct-87	Sept-87	Oct-86	Oct-87	Sept-87	Oct-86	Oct-87	Sept-87	Oct-86
TOTAL MANUFACTURING INDUSTRIES*	195,800	$478.00	$471.58	$460.18	39.9	39.2	39.5	$11.98	$12.03	$11.65
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	35,200	$401.48	$389.66	$408.56	36.3	35.2	38.8	$11.06	$11.07	$10.53
Primary Metal Industries	9,500	$559.28	$565.80	$540.94	44.6	44.1	43.0	$12.54	$12.83	$12.58
Fabricated Metal Products	8,500	$425.88	$417.38	$439.56	39.0	37.4	39.6	$10.92	$11.16	$11.10
Machinery	17,400	$386.40	$373.25	**$370.72	40.0	38.4	38.9	$9.66	$9.72	$9.53
Food and Kindred Products	24,500	$360.04	$367.20	$346.88	37.7	37.7	37.5	$9.55	$9.74	$9.25
Chemical and Allied Products	5,200	$653.56	$634.26	$593.28	42.8	41.7	41.2	$15.27	$15.21	$14.40
Transportation Equipment	45,800	$621.46	**$605.26	$567.18	42.8	41.8	41.1	$14.52	$14.48	$13.80
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	73,000	$618.36	$560.84	$600.16	38.1	34.9	37.3	$16.23	$16.07	$16.09
Wholesale and Retail Trade (does not include eating and drinking establishments)	285,700	$319.86	$333.10	$313.74	34.1	35.1	33.2	$9.38	$9.49	$9.45

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor-management disputes.

Employment Security Department
KG-11
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Washington LABOR MARKET

Washington State
Employment Security

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Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

December 1987

Highlights

Economy Remains Strong

Few signs of the stock market sell-off in mid-October were evident in the economy as the year drew to an end. After seasonal adjustment, total employment advanced and unemployment declined in November. Preliminary reports on Christmas sales indicated modest improvement from the previous year. After adjustment for inflation holiday sales may have slipped slightly over the year, but the sharply lower results forecast by some analysts following the October 19 market crash did not occur. The Dow Jones Industrial Average itself finished the year at 1938.83, up 2.2 percent from the end of 1986 and 11.5 percent higher than its close on October 19. While most analysts and administration economists are forecasting slower growth in 1988, the economy was more resilient than thought.

Volume 11, Number 12

	Nov. 1987* (Prel.)	Oct. 1987* (Rev.)	Nov. 1986
Civilian Labor Force	2,241,300	2,270,100	2,194,600
Total Employment	2,075,500	2,111,100	2,017,800
Total Unemployment	165,800	159,000	176,800
State Unemployment Rate	7.4	7.0	8.1
National Civilian Unemployment Rate	5.6	5.7	6.6

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

Employment Down Less Than Usual in November

Normal seasonal retrenchment in agriculture, food processing, construction and other industries which see employment decline with the approach of winter, reduced total employment in Washington State 35,600 between October and November. The loss, however, was less than usual between the two months and after seasonal adjustment the job total was up 6,000. Over the year, total employment in the state was up nearly 58,000. Reflecting the seasonal cutbacks, total unemployment rose from 159,000 and 7.0 percent of the labor force in October to 165,800 and 7.4 percent in November. After seasonal adjustment, however, unemployment was lower, edging down from 7.5 to 7.5 percent. Over the year, unemployment in the state fell 11,000. The jobless rate in November 1986 was 8.1 percent compared with 7.4 percent (unadjusted) this November.

NOVEMBER INDUSTRY DEVELOPMENTS

Apple Harvest Complete

Most of the employment reduction in November occurred in agriculture where the apple harvest was completed. Nonagricultural wage and salary employment dipped 4,500 (not seasonally adjusted) as seasonal losses in food processing, construction and amusements (race tracks, carnivals, amusement parks, etc.) were cushioned be seasonal gains in education and retail trade.

Busy Season Over In Food Processing

Manufacturing employment slipped 900 in November, but the drop resulted from a normal seasonal reduction in food processing (down 2,400) where the processing of fall crops was largely completed. Other losses included drops of 200 each in lumber-wood products and fabricated metal products. Lumber payrolls held up better than expected in November. Logging employment, in fact, rose during the month following fire hazard restrictions in October. The loss in fabricated metals reflected less seasonal demand from the construction industry.

Aerospace Still Climbing

Seasonal losses in manufacturing were partially offset by an increase of 1,500 in aerospace in November, the industry's largest monthly increase of the year. Over the year, aerospace payrolls have jumped 8,600 or nearly ten percent. Growth in aerospace in November was augmented by gains of 200 in "other transportation equipment" and machinery. The increase in "other transportation equipment" was credited to the troubled shipbuilding industry where employment remains well below levels of previous years. Difficulties in the industry are world-wide and result from a surplus of merchant vessels. Consolidation of shipyards has been recently reported in Japan. The increase in machinery results from improvement in high-tech industries nationally following weak markets in 1986 and early 1987.

Hiring By Schools And Retail Stores Help Offset Seasonal Losses

Sizable seasonal swings were noted in the nonmanufacturing industries in November. On the upside, public education rose 3,400 as schools continued rounding out staffing for the new school year. The increase in government civilian payrolls, however, was pared to 1,900 because of cutbacks at parks, forests, and in other outdoor work. Employment at retail outlets jumped 3,300 in November as stores began hiring temporary clerks for the holiday shopping period. The increase was about equal to the expansion which occurred during November 1986 despite concern that the stock market sell-off would reduce holiday buying this year. While the overall trend was up, hardware stores and lumber yards reduced payrolls as usual in the fall, and lower employment was also noted at gasoline service stations and at restaurants because of less tourist business.

Employment in most other nonmanufacturing industries declined in November. Construction dropped 4,700 with weather conditions deteriorating, but the loss was no more than normal for the month. Services employed 1,600 fewer workers with the major cutbacks at hotels-motels because of fewer tourists and in amusements where the horse racing season came to an end, carnivals ended their stands at county fairs and shopping centers and golf courses and other weather-related recreation activities slowed. Limiting the losses in services, however, were gains in business services, especially data processing, legal services and at private colleges.

Transportation, communications and utilities payrolls slipped 1,100 over the month with seasonal drops in the shipment of farm commodities and at travel agencies. Lower employment was also reported in the telephone industry. Wholesale trade fell 1,000 in November due to lower employment at fruit and vegetable wholesalers. The drop was somewhat greater than usual for November because of the late apple harvest this year which caused October's level to be higher than normal.

YEAR-TO-YEAR DEVELOPMENTS

Job Growth Up

Nonfarm wage and salary employment continues to expand at a rapid clip in Washington State. In November payroll employment was up 77,200 over the year for a gain of 4.3 percent. Nationally nonfarm wage and salary jobs rose 2.8 percent year-to-year which was itself a substantial increase. Not only has job growth in the state outstripped the national record, but the rate of growth has been increasing. In January the year-to-year gain was 53,900, or 23,300 less than in November.

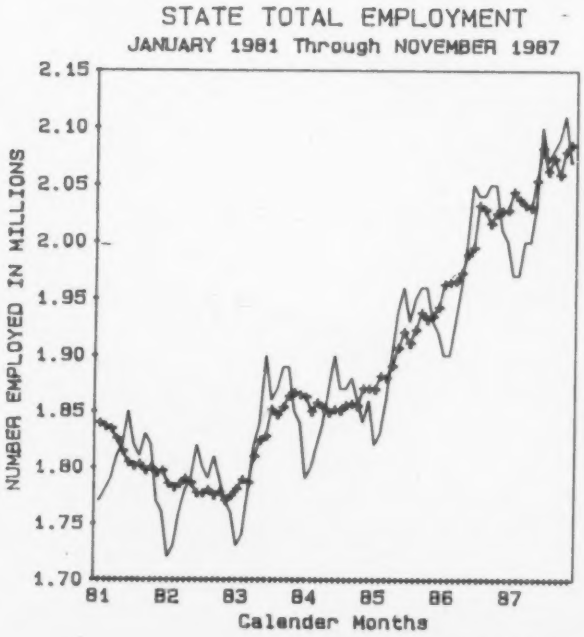
Retail trade (up 20,400) and services (up 18,600) alone accounted for one-half of the year-to-year growth, but manufacturing also made a substantial contribution with 18,000 new jobs. Between 1985 and 1986 manufacturing payrolls advanced 8,700 and all of the net increase was in aerospace; lumber, primary metals, "other transportation equipment" and instruments all posted losses.

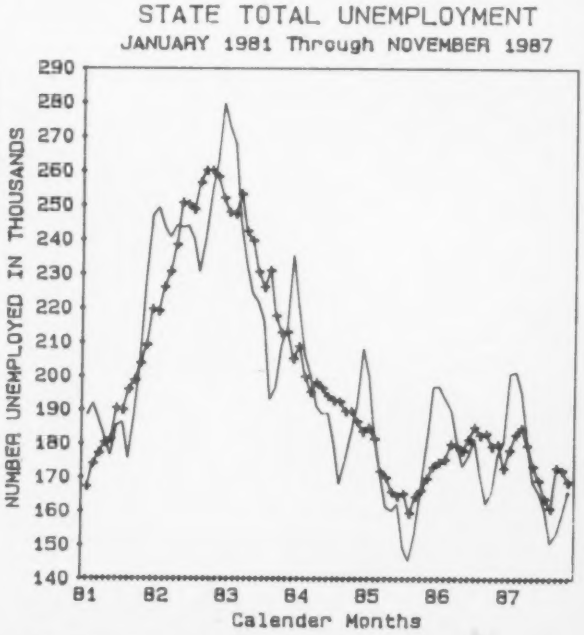
Lumber Employment Up But Well Below Historic Highs

In November aerospace employment was up 8,600 year to year, the largest gain in the manufacturing industries. Unlike 1986, however, other manufacturing industries made important contributions to the expansion. Lumber and wood products posted a gain of 2,500 with the declining value of the dollar bolstering export markets. Nonetheless, it remained well below levels of the late 1970s. In November 1978, lumber employment in the state totaled 55,800 compared with 40,300 this November. Growth in automation, however, precludes returning to the high levels reached in the previous decade.

Weaker Dollar Creates Jobs

Aluminum employment added 400 over the year. The former Alcoa plant in Vancouver was not operating in November 1986 but was reopened this year by Vanalco, Inc. Other expansions included gains of 1,000 in machinery and 300 in instruments which were largely related to the general recovery in the high-tech industries nationally and the weaker dollar which is making U.S. goods more competitive here and abroad. The downward value of the dollar also contributed to over-the-year job gains of 500 in apparel and 300 in paper and allied products. "Other transportation equipment" rose 700 year to year despite losses in shipbuilding payrolls. Strong growth at firms producing pleasure boats, however, more than offset losses in shipbuilding in the past 12 months. This itself is a strong indication of a vigorous economy.





+ SEASONALLY ADJUSTED — NOT SEASONALLY ADJUSTED

Other significant year-to-year growth in manufacturing payrolls included gains of 800 in printing-publishing and 700 each in fabricated metals and "other nondurable goods." Growth in printing-publishing was largely the result of the expansion in general business activity, the need for more printed material and additional revenues available for advertising. Fabricated metals rose because of more demand from the construction industry, which itself added 5,800 jobs over the year. Most of the new jobs in "other nondurable goods" occurred at firms manufacturing plastic products.

AREA DEVELOPMENTS

Unemployment Rate Up In Eastern Washington Unchanged on West Side

The increase in unemployment over the month was centered in Eastern Washington where the apple harvest was completed. A seasonal decline in food processing also contributed to the increase east of the Cascades. And with less farm activity, related employment in transportation and warehousing fell. The jobless rate in Eastern Washington jumped from 7.6 percent in October to 9.7 percent in November. By contrast, the rate in Western Washington remained unchanged at 6.8 percent. On the west side of the state, increases in retail trade because of holiday hiring and in education and aerospace largely offset seasonal losses in construction, tourist-related business and recreation.

Major metropolitan areas in Western Washington saw little change in their rates between October and November. The jobless rate in the Seattle Metropolitan Area slipped from 5.9 to 5.8 percent, while the Vancouver area's rate fell from 7.2 to 7.0 percent. Tacoma's unemployment rate edged up from 7.6 to 7.7 percent.

Major areas in Eastern Washington experienced sizable increases in their rates, but November rates were generally no greater than one year earlier. In the Yakima Metropolitan Area, the jobless rate jumped from 8.9 percent in October to 13.3 percent in November, unchanged from November 1986. In the Tri-Cities area the rate rose from 8.3 to 10.7 percent over the month and was down slightly from 10.8 percent one year ago. Spokane's rate rose from 6.6 to 7.3 percent between October and November, but it was 8.1 percent in November 1986.

INDUSTRY NOTES

Boeing Posts Record Aircraft Orders

The Boeing Company posted a new record for jet aircraft sales for the third consecutive year in 1987. The company received orders for 364 jets valued at about $19.8 billion. In 1986, Boeing's orders totalled $19.23 billion for 341 airplanes. At the beginning of 1987, Boeing did not expect to exceed the 1986 record, however, rising airline traffic and the declining value of the dollar, which made Boeing aircraft less expensive overseas, boosted 1987 orders. The weaker dollar, though, has lessened the chances of reaching an agreement with Western European nations over competition in the aircraft industry.

Boeing and McDonnel Douglas Corp. claim that government subsidies allow Airbus Industrie to sell aircraft below cost. The Annual Foreign Trade Barrier Report indicated that the subsidies to Airbus Industrie's A320 jetliner could cost the U.S. 50,000 jobs, including 33,000 at Boeing. The report claims the subsidies will lower U.S. sales by 150 planes through 1998. U.S. and Western European trade officials are negotiating a new agreement on competition in the aircraft industry, but serious disagreements remain to be resolved on fair repayment of future subsidies and public disclosure of the amount and terms of the subsidies.

Airbus Hurting

The French Foreign Trade Minister said in December that the dollar's 25 percent decline against major European currencies in the past year has wiped out Airbus Industrie's profit margin. As a result, aircraft delivered in coming months will be sold at a loss. Airbus sells its planes in dollars but largely pays its bills in French francs, West German Deutschemarks, British pounds and Spanish pesetas. The dollars received from aircraft sales are worth much less in these currencies than they were before. Airbus has orders for nearly 300 of its new A320s. Deliveries of the plane will begin next year.

Up to 1,200 Hanford Workers Face Layoff

The elimination of Hanford in December as one of the three prospective sites for the nation's nuclear-waste repository will result in the loss of up to 1,200 jobs in the Hanford area within 90 days. The jobs were on the repository-testing project which involved the

drilling of huge test holes in the Hanford area. Reclamation work will continue after the repository-testing is shut down and will temporarily save some jobs.

$581 million was spent in the past decade to study Hanford as a possible nuclear dump site, including $128 million in 1987. The elimination of Hanford as a possible site will also end grants to three Indian tribes near the reservation to track the program. In 1987 the tribes received $3.7 million. The Gable Mountain on the Hanford Reservation is considered sacred by the tribes.

B.C. Lumber Tax Ended

The United States and Canada in December agreed to the cancellation of a 15 percent tax on softwood lumber exported from British Columbia to the United States after it was determined that increased fees for timber cutting rights in British Columbia will raise the price of their lumber the equivalent of 15 percent. The U.S. lumber industry claimed that the province had priced timber rights artificially low, giving their mills an unfair advantage over U.S. producers. The Canadian government levied the tax because it feared the imposition of higher U.S. anti-dumping duties.

NATIONAL INDICATORS

Administration Lowers Growth Forecast

On the heels of the stock market sell-off, the Reagan administration lowered its forecast of economic growth in 1988 to 2.4 percent. This was well below its previous forecast of 3.5 percent made last summer. Even the lower rate, however, depends on the Federal Reserve expanding the money supply between five and eight percent next year. Less growth in the money supply would boost interest rates and result in even slower growth.

Administration economists expect most of the growth in 1988 to result from improvement in the U.S. trade deficit and increased business investment. Consumer spending is expected to be sluggish because of the stock market crash and the resulting loss of wealth and confidence in the economy. The administration, however, predicts little change in the level of unemployment between 1987 and 1988.

Consumer Confidence Up

Although the administration and many economists expect consumer confidence to drop because of the stock market crash, a survey of 5,000 households found that consumer confidence rebounded in December to recover nearly half of its drop following the stock market sell-off in October. A spokesman for the Conference Board, a business supported research organization, which directed the survey attributed the rebound to high rates of employment and a low rate of inflation.

Another reason for the increase in confidence in December was growth in manufacturing because of rising exports which are benefiting from the decline in the value of the dollar. The National Association of Purchasing Management reported new orders and production were up substantially in December after slipping in November. A spokesman for the association said that virtually all indicators were positive based on a survey of purchasing agents at over 250 companies in 21 industries.

Leading Indicators Down Sharply

The Index of Leading Economic Indicators, the government's main barometer of economic activity, plunged 1.7 percent in November. Stock prices, one of the 11 leading indicators, accounted for about two-thirds of the November drop. Most other leading indicators fell modestly.

The loss was the biggest decline in the index in over six years but the first since January. The index for October was revised to a 0.2 percent gain. Three consecutive monthly declines in the index often signal a recession, although not always.

Besides stock prices, other leading indicators on the downside in November were the average workweek in manufacturing, claims for unemployment insurance (increased), the business delivery index, orders for plant and equipment, sensitive material prices, and the money supply. Leading indicators showing minor gains were orders for consumer goods and building permits. Data were not available in the preliminary November estimates for inventories and credit outstanding.

CONSUMER PRICE INDEX*

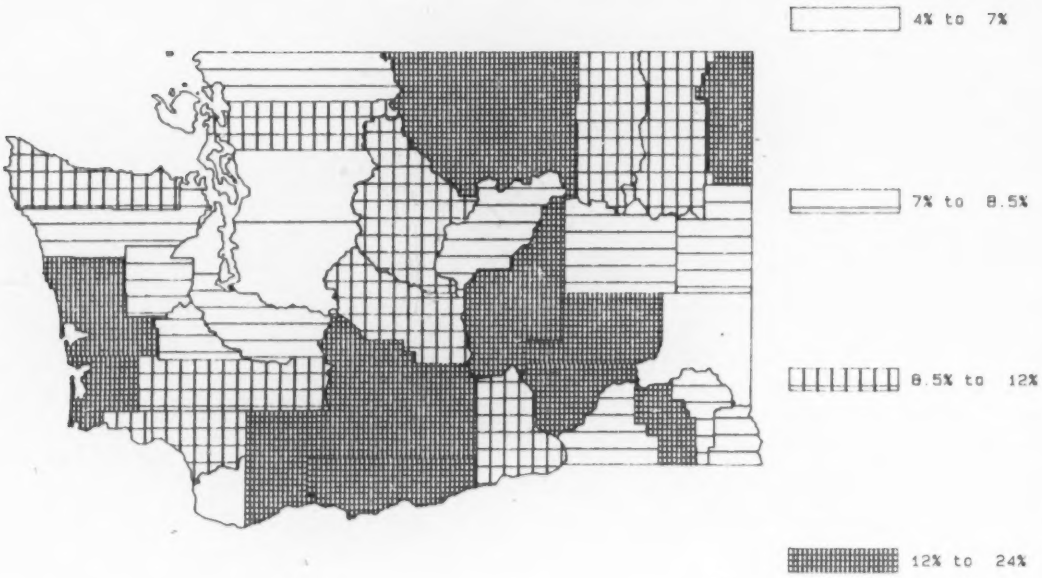
(All Items, Urban Consumers, 1967=100)

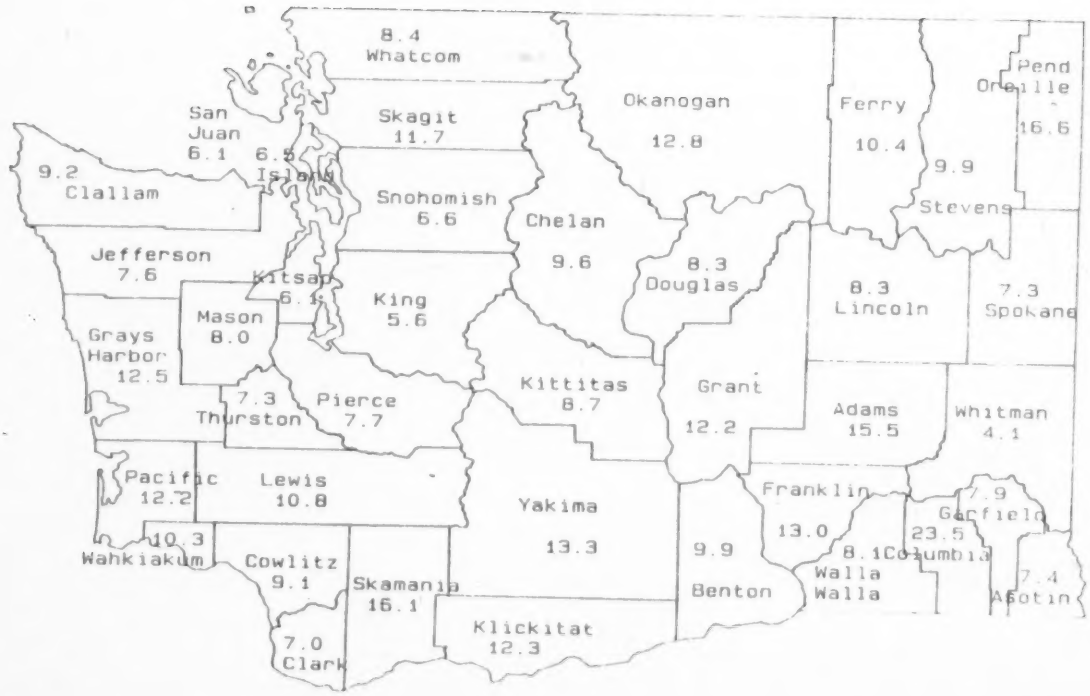
	INDEXES			PERCENT CHANGE Year Ending	
	Nov. 1987	Oct. 1987	Nov. 1986	Nov. 1987	Oct. 1987
U.S. City Average	345.8	345.3	330.8	4.5	4.5
	Jan.-June 1987	Jan.-June 1986		Jan.-June '86 to Jan.-June '87	
Seattle*	329.7	324.9		1.5	

* The Bureau of Labor Statistics no longer develops bimonthly CPI data for the Seattle area. Beginning this year the Seattle index will be published twice a year. The index for Seattle reflects prices in King, Pierce and Snohomish Counties.

NOVEMBER UNEMPLOYMENT RATES

State of Washington 7.4





Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT
IN WASHINGTON STATE AND LABOR MARKET AREAS

DATE 1/6/88
Benchmark: 1986

(Not Seasonally Adjusted)

	NOVEMBER 1987 PRELIMINARY 1/				OCTOBER 1987 REVISED 1/				NOVEMBER 1986 REVISED			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,241,300	2,075,500	165,800	7.4	2,270,100	2,111,100	159,000	7.0	2,194,600	2,017,800	176,800	8.1
Bellingham MSA	58,100	53,200	4,900	8.4	59,100	54,600	4,500	7.6	57,200	52,200	5,000	8.7
Bremerton MSA	71,700	67,300	4,400	6.1	72,600	68,000	4,600	6.3	70,500	66,200	4,300	6.1
Olympia MSA	71,700	66,500	5,200	7.3	72,100	66,800	5,300	7.4	70,700	65,000	5,700	8.1
Seattle PMSA	1,008,600	949,700	58,900	5.8	1,004,800	945,900	58,900	5.9	979,200	917,300	61,900	6.3
King County 2/	803,100	757,900	45,200	5.6	800,200	754,900	45,300	5.7	779,600	732,000	47,600	6.1
Snohomish County 2/	205,400	191,800	13,600	6.6	204,600	191,000	13,600	6.6	199,600	185,300	14,300	7.2
Spokane MSA	165,400	153,300	12,100	7.3	165,200	154,300	10,900	6.6	164,400	151,100	13,300	8.1
Tacoma PMSA	242,200	223,600	18,600	7.7	240,700	222,500	18,200	7.6	234,200	214,200	20,000	8.5
Tri-Cities MSA	65,700	58,700	7,000	10.7	67,200	61,600	5,600	8.3	66,600	59,400	7,200	10.8
Benton County 2/	50,300	45,300	5,000	9.9	51,700	47,500	4,200	8.1	51,200	45,800	5,400	10.5
Franklin County 2/	15,400	13,400	2,000	13.0	15,500	14,100	1,400	9.0	15,400	13,600	1,800	11.7
Vancouver PMSA	108,600	101,000	7,600	7.0	109,900	102,000	7,900	7.2	103,400	94,300	9,100	8.8
Yakima MSA	84,800	73,500	11,300	13.3	98,400	89,600	8,800	8.9	82,200	71,300	10,900	13.3
Adams	6,510	5,500	1,010	15.5	6,820	6,310	510	7.5	6,000	5,210	790	13.2
Asotin	8,470	7,840	630	7.4	8,530	7,920	610	7.2	8,270	7,630	640	7.7
Clallam	22,230	20,180	2,050	9.2	23,280	20,880	2,400	10.3	22,170	19,970	2,200	9.9
Columbia	1,790	1,370	420	23.5	1,760	1,440	320	18.2	1,850	1,400	450	24.3
Cowlitz	33,440	30,390	3,050	9.1	34,310	30,800	3,510	10.2	33,900	30,460	3,440	10.1
Ferry	2,410	2,160	250	10.4	2,420	2,210	210	8.7	2,460	2,160	300	12.2
Garfield	1,010	930	80	7.9	1,000	940	60	6.0	1,040	920	120	11.5
Grant	24,510	21,520	2,990	12.2	26,840	24,350	2,490	9.3	25,230	22,330	2,900	11.5
Grays Harbor	25,450	22,280	3,170	12.5	26,030	22,760	3,270	12.6	25,800	22,420	3,380	13.1
Island	17,920	16,750	1,170	6.5	17,930	16,810	1,120	6.2	16,680	15,570	1,110	6.7
Jefferson	8,070	7,460	610	7.6	8,350	7,740	610	7.3	8,060	7,360	700	8.7
Kittitas	11,600	10,590	1,010	8.7	11,960	11,080	880	7.4	11,910	10,700	1,210	10.2
Klickitat	7,410	6,500	910	12.3	7,310	6,520	790	10.8	7,580	6,610	970	12.8
Lewis	23,750	21,190	2,560	10.8	24,340	21,240	3,100	12.7	24,110	21,210	2,900	12.0
Lincoln	4,230	3,880	350	8.3	4,230	3,950	280	6.6	4,430	4,050	380	8.6
Mason	12,300	11,310	990	8.0	12,650	11,530	1,120	8.9	13,570	12,400	1,170	8.6
Okanogan	14,630	12,760	1,870	12.8	16,780	15,320	1,460	8.7	14,410	12,340	2,070	14.4
Pacific	6,140	5,390	750	12.2	6,500	5,770	730	11.2	6,940	6,060	880	12.7
Pend Oreille	2,830	2,360	470	16.6	2,770	2,370	400	14.4	3,050	2,390	660	21.6
San Juan	4,930	4,630	300	6.1	5,200	4,940	260	5.0	4,280	3,910	370	8.6
Skagit	31,070	27,450	3,620	11.7	32,700	29,060	3,640	11.1	31,190	27,310	3,880	12.4
Skamania	2,420	2,030	390	16.1	2,470	2,070	400	16.2	2,330	1,950	380	16.3
Stevens	10,960	9,880	1,080	9.9	11,030	9,960	1,070	9.7	10,590	9,230	1,360	12.8
Wahkiakum	1,070	960	110	10.3	1,170	1,010	160	13.7	1,150	1,020	130	11.3
Walla Walla	22,360	20,540	1,820	8.1	22,310	20,820	1,490	6.7	22,820	20,520	2,300	10.1
Wenatchee Labor Area	38,420	34,880	3,540	9.2	42,810	40,040	2,770	6.5	37,980	34,100	3,880	10.2
Chelan County 2/	26,080	23,570	2,510	9.6	29,040	27,060	1,980	6.8	25,850	23,050	2,800	10.8
Douglas County 2/	12,340	11,310	1,030	8.3	13,770	12,980	790	5.7	12,140	11,060	1,080	8.9
Whitman	18,620	17,860	760	4.1	18,580	18,030	550	3.0	18,510	17,750	760	4.1

1/ Estimates provided here are for use as an economic time-series.

2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

January 6, 1988
Benchmark: 1986

(Not Seasonally Adjusted)

	NOVEMBER 1987 PRELIMINARY 1/				OCTOBER 1987 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,243,400	2,087,200	156,200	7.0	2,271,200	2,123,300	147,900	6.5
Bellingham MSA	58,100	53,500	4,600	7.9	59,200	55,000	4,200	7.1
Bremerton MSA	71,800	67,700	4,100	5.7	72,600	68,400	4,200	5.8
Olympia MSA	71,800	66,900	4,900	6.8	72,200	67,200	5,000	6.9
Seattle PMSA	1,010,500	955,100	55,400	5.5	1,006,200	951,400	54,800	5.4
King County 2/	804,800	762,200	42,600	5.3	801,500	759,300	42,200	5.3
Snohomish County 2/	205,700	192,900	12,800	6.2	204,800	192,200	12,600	6.2
Spokane MSA	165,600	154,200	11,400	6.9	165,400	155,200	10,200	6.2
Tacoma MSA	242,400	224,900	17,500	7.2	240,600	223,700	16,900	7.0
Tri-Cities MSA	65,700	59,100	6,600	10.0	67,100	61,900	5,200	7.7
Benton County 2/	50,300	45,600	4,700	9.3	51,700	47,800	3,900	7.5
Franklin County 2/	15,300	13,500	1,800	11.8	15,500	14,200	1,300	8.4
Vancouver PMSA	108,700	101,600	7,100	6.5	110,000	102,600	7,400	6.7
Yakima MSA	84,500	73,900	10,600	12.5	98,300	90,100	8,200	8.3
Adams	6,480	5,530	950	14.7	6,830	6,350	480	7.0
Asotin	8,470	7,880	590	7.0	8,530	7,960	570	6.7
Clallam	22,220	20,290	1,930	8.7	23,240	21,000	2,240	9.6
Columbia	1,770	1,380	390	22.0	1,750	1,450	300	17.1
Cowlitz	33,430	30,560	2,870	8.6	34,240	30,970	3,270	9.6
Ferry	2,420	2,180	240	9.9	2,420	2,220	200	8.3
Garfield	1,000	930	70	7.0	1,000	950	50	5.0
Grant	24,460	21,650	2,810	11.5	26,810	24,490	2,320	8.7
Grays Harbor	25,390	22,400	2,990	11.8	25,930	22,890	3,040	11.7
Island	17,940	16,840	1,100	6.1	17,950	16,900	1,050	5.8
Jefferson	8,070	7,500	570	7.1	8,350	7,780	570	6.8
Kittitas	11,600	10,650	950	8.2	11,950	11,140	810	6.8
Klickitat	7,390	6,530	860	11.6	7,290	6,560	730	10.0
Lewis	23,720	21,310	2,410	10.2	24,240	21,360	2,880	11.9
Lincoln	4,230	3,900	330	7.8	4,230	3,970	260	6.1
Mason	12,300	11,370	930	7.6	12,640	11,600	1,040	8.2
Okanogan	14,590	12,830	1,760	12.1	16,770	15,410	1,360	8.1
Pacific	6,130	5,420	710	11.6	6,480	5,800	680	10.5
Pend Oreille	2,820	2,380	440	15.6	2,760	2,380	380	13.8
San Juan	4,940	4,660	280	5.7	5,210	4,960	250	4.8
Skagit	31,020	27,610	3,410	11.0	32,620	29,230	3,390	10.4
Skamania	2,400	2,040	360	15.0	2,450	2,080	370	15.1
Stevens	10,960	9,940	1,020	9.3	11,010	10,010	1,000	9.1
Wahkiakum	1,070	970	100	9.3	1,170	1,020	150	12.8
Walla Walla	22,370	20,660	1,710	7.6	22,340	20,950	1,390	6.2
Wenatchee Labor Area	38,400	35,070	3,330	8.7	42,850	40,270	2,580	6.0
Chelan County 2/	26,060	23,700	2,360	9.1	29,050	27,210	1,840	6.3
Douglas County 2/	12,340	11,370	970	7.9	13,800	13,060	740	5.4
Whitman	18,680	17,960	720	3.9	18,650	18,140	510	2.7

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/

(In Thousands)

NOT SEASONALLY ADJUSTED Industry	November 1987 (Prel.)	October 1987 (REV.)	November 1986 (REV.)	October 1986 (REV.)	Numerical Change Oct. 1987 to Nov. 1987	Numerical Change Nov. 1986 to Nov. 1987
TOTAL NONAG. WAGE AND SALARY	1874.1	1878.6	1796.9	1803.5	-4.5	77.2
MANUFACTURING	323.1	324.0	305.1	309.1	-0.9	18.0
Durable Goods	228.2	226.6	213.8	214.3	1.6	14.4
Lumber & Wood Products	40.3	40.5	37.8 3/	38.8	-0.2	2.5
Furniture & Fixtures	4.2	4.2	4.1	4.1	0.0	0.1
Stone, Clay & Glass	6.3	6.4	6.3 3/	6.6	-0.1	0.0
Primary Metals	12.0	11.9	11.6	11.6	0.1	0.4
Aluminum	8.0	8.0	7.6	7.6	0.0	0.4
Fabricated Metals	10.7	10.9	10.0	10.2	-0.2	0.7
Machinery	29.0	28.8	28.0	28.1	0.2	1.0
Machinery (Exc. Elec.)	16.6	16.5	15.9 3/	15.9 3/	0.1	0.7
Electrical Equip	12.4	12.3	12.1	12.2	0.1	0.3
Transportation Equip	110.6	108.9	101.3	100.1	1.7	9.3
Aerospace	96.8	95.3	88.2	87.5	1.5	8.6
Other Transp. Equip	13.8	13.6	13.1	12.6	0.2	0.7
Instruments & Related	10.2	10.2	9.9	10.1	0.0	0.3
Misc. Manufacturing	4.9	4.8	4.8	4.7	0.1	0.1
Nondurable Goods	94.9	97.4	91.3	94.8	-2.5	3.6
Food & Kindred Products	31.2	33.7	30.0	32.8	-2.5	1.2
Canned & Preserved Foods	10.8	13.2	10.5	12.8	-2.4	0.3
Apparel & Allied Products	6.6	6.6	6.1	6.5	0.0	0.5
Paper & Allied Products	17.3	17.3	17.0	17.0	0.0	0.3
Printing & Publishing	19.7	19.7	18.9	19.0	0.0	0.8
Chemicals & Allied Products	11.5	11.5	11.4	11.6	0.0	0.1
Other Nondurable Goods 2/	8.6	8.6	7.9	7.9	0.0	0.7
MINING & QUARRYING	3.0	3.1	2.8	2.9	-0.1	0.2
CONSTRUCTION	92.4	97.1	86.6	91.4	-4.7	5.8
TRANSP.,COMM. & UTIL	99.5	100.6	96.0	96.7	-1.1	3.5
WHOLESALE & RETAIL TRADE	469.2	466.9	443.7	441.4	2.3	25.5
Wholesale Trade	114.4	115.4	109.3	110.1	-1.0	5.1
Retail Trade	354.8	351.5	334.4	331.3	3.3	20.4
FIN. INS. & REAL ESTATE	107.5	107.8	105.7	106.2	-0.3	1.8
SERVICES	418.2	419.8	399.6	400.9	-1.6	18.6
Health Services	130.1	130.0	124.0	123.6	0.1	6.1
GOVERNMENT	361.2	359.3	357.4	354.9	1.9	3.8
Federal	71.2	71.7	70.5	70.6	-0.5	0.7
State & Local	290.0	287.6	286.9	284.3	2.4	3.1
Education	157.8	154.4	155.2	152.8	3.4	2.6
WORKERS IN LABOR-MANAGEMENT DISPUTES	0.0	0.0	0.4	0.1	-0.0	-0.4

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Workers excluded because of involvement in labor-management disputes.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	Prelim Nov Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Nov-87	Oct-87	Nov-86	Nov-87	Oct-87	Nov-86	Nov-87	Oct-87	Nov-86
TOTAL MANUFACTURING INDUSTRIES*	190,100	$489.65	$473.39	$468.06	40.3	40.1	39.7	$12.15	$11.93	$11.79
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	34,700	$427.86	$400.76	$396.75	38.1	36.7	37.5	$11.23	$10.92	$10.58
Primary Metal Industries	9,400	$559.26	$556.84	$531.30	44.6	44.6	42.0	$12.54	$12.53	$12.65
Fabricated Metal Products	8,300	$436.95	$425.80	$440.70	39.4	39.1	39.0	$11.09	$10.89	$11.30
Machinery	15,200	$378.50	$382.64	**$389.54	39.8	39.9	40.2	$9.51	$9.59	$9.69
Food and Kindred Products	20,800	$352.87	$358.72	$345.59	35.5	37.8	35.7	$9.94	$9.49	$9.68
Chemical and Allied Products	5,100	$735.55	$664.25	$605.82	45.8	43.5	42.1	$16.06	$15.27	$14.39
Transportation Equipment	46,900	$629.86	**$624.26	$595.84	43.2	43.0	42.7	$14.58	$14.52	$13.72
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	59,800	$572.04	$621.13	$581.37	36.0	38.2	36.2	$15.89	$16.26	$16.06
Wholesale and Retail Trade (does not include eating and drinking establishments	290,000	$325.73	$320.74	$319.81	34.8	34.6	33.7	$9.36	$9.27	$9.49

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor-management disputes.

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Washington LABOR MARKET

January 1988

JOB SERVICE

Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Irv Lefberg
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

Highlights

Strong Finish

Total employment declined and unemployment rose in December as usual, but labor market conditions in Washington State ended the year stronger than in any other December since the late 1970s. Total employment dropped 9,300 between November and December but was up 63,300 over the year. However, the loss from November was less than seasonally expected, and after seasonal adjustment, total employment rose 5,400. Total unemployment jumped from 167,000 and 7.4 percent of the labor force in November to 177,900 and 7.9 percent in December in response to seasonal job losses. On a seasonally adjusted basis, however, the jobless rate was unchanged over the month. Moreover, the unadjusted rate at year end was below eight percent for the first December since 1979.

Volume 12, Number 1

	Dec. 1987* (Prel.)	Nov. 1987* (Rev.)	Dec. 1986
Civilian Labor Force	2,245,100	2,243,500	2,184,200
Total Employment	2,067,200	2,075,500	2,003,900
Total Unemployment	177,900	167,000	180,300
State Unemployment Rate	7.9	7.4	8.3
National Civilian Unemployment Rate	6.4	6.6	6.3

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

At the beginning of the year, the state's economy was not expected to be nearly as strong in 1987 as it was in 1986. Following substantial job growth in 1986, most analysts expected only moderate gains in 1987. As it turned out the expansion in 1987 was even stronger than in 1986. Based on preliminary estimates, total nonagricultural wage and salary employment rose nearly 60,000 (3.5 percent) in 1986 and almost 69,000 (3.9 percent) in 1987. The major surprise was the sizable job expansion in aerospace. Following a gain of 8,900 in 1986 and record jet airliner sales, The Boeing Company forecast weaker sales in 1987 and level employment. Sales, however, slightly exceeded the 1986 record, and aerospace employment in the state rose 7,800. Part of the reason for the record sales in aerospace in 1987 was the decline in the value of the dollar, which made Boeing's jetliners less expensive abroad. The lower value of the dollar also help boost demand in other industries during the year, especially lumber, pulp-paper, and electrical equipment. This, of course, added more jobs to the state's economy.

DECEMBER INDUSTRY DEVELOPMENTS

Holiday Jobs Ease Downturn

Most of the 9,300 job loss in December occurred in agriculture. Nonagricultural wage and salary employment slipped 1,000 as seasonal losses in food processing, lumber, construction, fruit and vegetable warehousing, and public education were

cushioned by the hiring of thousands of temporary sales clerks. Hiring at ski resorts and further growth in medical services also helped offset seasonal job losses in December.

Santa's Helpers

Retail trade employment jumped 6,600 in December. Holiday hiring was actually greater than normal despite concern over holiday sales following the stock market sell-off in October. The temporary gains at apparel, department and other stores selling gifts were more than sufficient to offset normal seasonal losses at restaurants and service stations resulting from less tourist business. On the wholesale level, however, payrolls fell 1,300 because of less activity at fruit and vegetable warehouses.

Ski Resorts Hiring

Employment in the service industries advanced 1,300 in December. While deteriorating weather reduced most outdoor employment, it boosted payrolls in amusements as ski resorts began their season. Hotels, photo studios and beauty shops also added workers as usual during the holiday season, while medical services continued its long-term expansion. The gains were more than sufficient to offset winter losses in agricultural services.

Construction and Public Payrolls Fall

Employment in the building trades fell 3,400 in December, which was about normal for the period. The largest losses occurred in street and highway construction, which always drops sharply in the winter, and in homebuilding. Nonresidential building held up better than usual because of the large number of major projects underway in the state.

Government civilian employment fell 2,700 over the month. Public education payrolls were down 1,900 which was typical for December. With a two-week vacation at the end of the month at most schools, little replacement hiring is done and with schools open for only half a month there is less need to hire substitute teachers. Education payrolls will rebound in January. Elsewhere in government, employment declined slightly as the number of outdoor jobs fell seasonally.

Manufacturing Down 2,300 in December

Manufacturing payrolls fell 2,300 in December. The major loss was in food products which dropped 1,800 with the freezing and canning of this year's fruit and vegetable crops complete. Employment in lumber and wood products dipped 600, but the loss was less than usual for

December as loggers attempted to make up for time lost during fire hazard closures in the summer and fall. Fabricated metals (down 400) and stone-clay-glass (down 200) reported small losses related to a seasonal decline in orders from the construction industry.

Countering the overall trend in December, aerospace continued to grow, adding 400. Increased demand for circulars and other advertising to promote holiday sales boosted printing-publishing payrolls 200. Nonelectrical machinery also added 200. Gains of 100 each in December, while small, testified to strength in the aluminum, instruments and pulp-paper industries.

YEAR-TO-YEAR DEVELOPMENTS

82,700 More Jobs

The number of nonfarm wage and salary jobs continued to expand from year-earlier levels. In December nonfarm payrolls were up 82,700 over the year compared to year-to-year gains of 53,900 in January 1987 and 74,400 in November 1987.

Retail Trade and Services Lead Growth

Retail trade (up 23,000) and services (up 19,500) continued to account for slightly over one-half of the new jobs. Growing disposable income resulting from job growth and an increasing proportion of the population in the working-age group is a major factor fueling the expansion in retail trade. Members of the baby boom generation are now customers. Moreover, two-family incomes are more common than not in this generation. As a result, it is not surprising that restaurants are the fastest growing segment in retail trade.

Business services is one of the fastest growing industries in the services group, which reflects overall business growth and the need for computer and other services. In addition, many firms have found that contracting out for services is less expensive than it would be to perform those jobs within their own organizations, data processing is a common example. A growing number of firms are also contracting out for temporary workers.

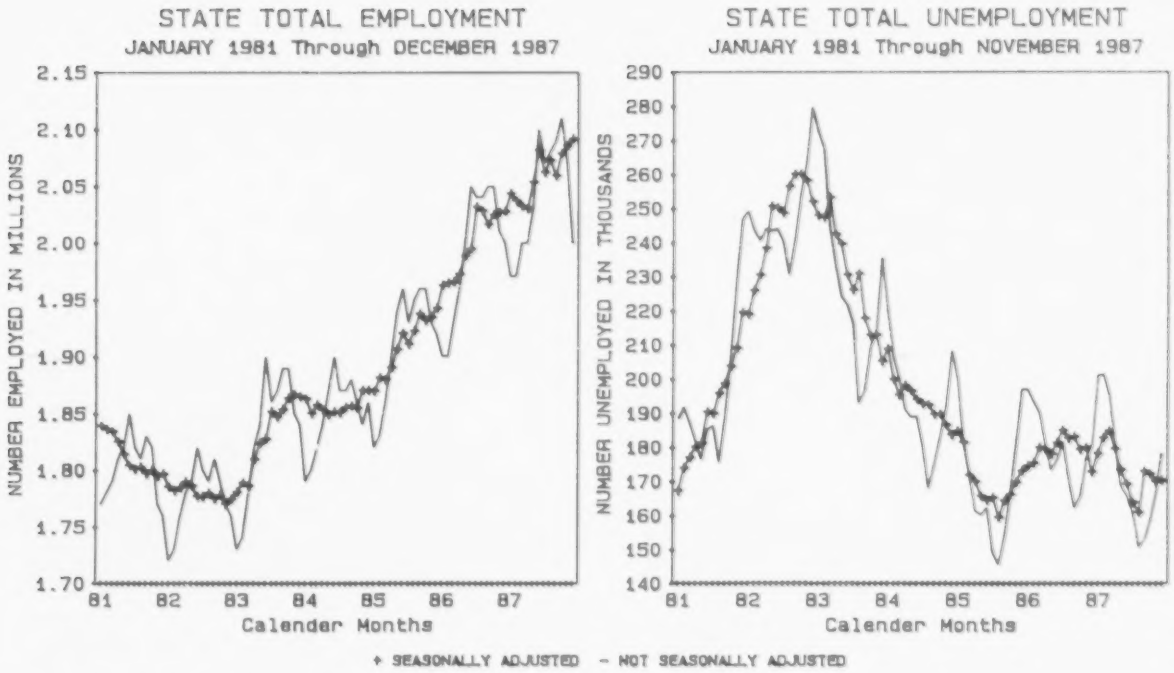
A continuation of the long-term growth in health care is another major factor in the increase in services employment. A significant growth area in recent years has been the expansion in health

care clinics and facilities which are an alternative to hospitalization in many cases. Social services have also expanded substantially, especially in child care because of the increase in the number of working mothers. Services to the elderly are also growing because of the increase in their population and because of government-supported programs to help them remain in their homes.

Manufacturing Adds 18,800 Jobs

Aerospace employment continued to lead job growth in manufacturing with a year-to-year gain of 9,000, but the expansion in manufacturing was not limited to aerospace. Nearly all major goods-producing industries were credited with job gains.

Lumber and wood products added 2,300 jobs over the year largely due to strong export demand. The need to rebuild inventories following cutbacks in the summer and fall because of the drought was another factor. Aluminum payrolls were up 500 with smelters now operating at near capacity because of higher metal prices.



Fabricated metals (up 800) and machinery (up 1,100) rose because of increased business expenditures for plant and equipment. Instruments (up 400) resumed its growth following recovery in the electronics industry nationally. Printing-publishing added 900 workers in the 12-month period due to heightened business activity which has resulted in more advertising and increasing demand for other printed material. "Other transportation equipment" posted a gain of 1,300 over the year: shipbuilding payrolls were lower but the loss was more than offset by expansions at firms building recreational boats.

AREA DEVELOPMENTS

Unemployment Up In Lumber Areas And Eastern Washington

Unemployment rose in most areas of the state as usual in December with the largest increases in Eastern Washington and in counties highly dependent on the lumber industry. Much of the job loss over the month occurred in agriculture and the related food processing and fruit warehousing industries which are more important east of the Cascades than on the west side of the state. In addition, winter weather conditions are more severe in Eastern Washington and have a greater impact on construction and other outdoor jobs. Deteriorating weather conditions, of course, were largely responsible for the decline in employment in the lumber areas.

In Eastern Washington the jobless rate increased from 9.8 percent in November to 10.6 percent in December. Representative of the east side were Yakima County which saw its rate jump from 13.5 to 15.2 percent, Grant County where the rate rose from 12.1 to 13.1 percent; and Walla Walla County where the unemployment rate increased from 8.2 to 10.9 percent. In the Spokane Metropolitan Area the rise in the unemployment rate was more moderate (7.4 to 7.6 percent) because of the area's large trade and service industry base.

In the 14 counties of the state where lumber is the major manufacturing industry, the jobless rate jumped from 10.8 in November to 12.1 in December. By contrast the rate in Western Washington moved up from 6.8 to 7.2 percent even though it includes most of the lumber counties. The loss in lumber jobs on the westside, however, was largely offset by the hiring of thousands of temporary holiday sales clerks in

the Seattle and Tacoma metropolitan areas. In the Seattle area the rate edged up only one-tenth of a point to 6.0 in December, while the rate in the Tacoma area rose a moderate three-tenths of a point to 8.0 percent.

INDUSTRY NOTES

Boeing Forecasts Stable Employment For 1988

The Boeing Company expects its 1988 employment level in Washington State to remain relatively stable, according to its annual employment forecast. The company had also forecast stable employment at the beginning of 1987, but strong orders for jet airliners and additional military contracts resulted in a substantial increase in their workforce. On an average annual basis, total aerospace employment in the state rose about 7,800 between 1986 and 1987 with most of the new jobs with Boeing. While Boeing's employment may not grow in 1988, its huge order backlog should prevent any significant losses in 1988 and 1989.

Potential $1.8 Billion Order For Boeing

In January, Scandinavian Airline System (SAS) ordered nine Boeing jetliners, which including spare parts and a flight simulator, are valued at $662.8 million. The airline also took options for 15 additional jets that could push the total value of the order to $1.8 billion.

Delivery of the nine planes ordered will occur from March 1989 and run through April 1990. The order replaced one with McDonnel Douglas which was cancelled because SAS wanted a smaller plane than the MD-11 and earlier delivery. The smaller 767s will allow the airline to serve more cities at less cost than the MD-11s, which won't be available before 1990.

Add $718 Million

In late January, Boeing announced orders for 23 additional jetliners worth about $718 million. Included were an order from an Ireland leasing firm, GPA Group Ltd., for 22 Boeing 737s for approximately $595 million and an order for one 747-400 from Malaysia Airlines for $123 million. Boeing has now sold 1,947 of its 737s with 200 on order.

Weyerhaeuser's Sales And Profits Up

The Weyerhaeuser Company reported sales of $7 billion in 1987 and profits of $446.6 million. Sales rose 24 percent and profits soared 61 percent from 1986 because of greater demand and higher prices for paper and logs. Overseas sales jumped 36 percent to $1.5 billion because of the decline in the value of the dollar and Japan's efforts to expand its

economy through home building incentives. The company noted, however, that logging restrictions related to the drought this summer and fall hurt profits in the fourth quarter.

WTD Industries, Inc., which owns several mills in the Pacific Northwest, reported that it expected lower net income in its fiscal third period ending January 31 because of a shortage of logs resulting from the drought and strong export demand. The shortage increased the price of logs.

Meanwhile, the U.S. Forest Service in January postponed more than one-third of its timber sales from Northwest national forests. This action further threatens to disrupt operations at mills that depend on logs from federal land. The sales are for timber previously sold but in the buyout or default category. Under 1984 legislation, firms were allowed to buy their way out of timber contracts obtained in the late 1970s and early 1980s because lumber prices collapsed.

The suspension of sales results from a court decision that the public must be given the usual 45 days to appeal a proposed sale. The ruling overturned an earlier court decision that the appeal period could be waived because the public had the opportunity to appeal before the initial sales had been made.

PACCAR to Close Defense Plant

PACCAR Inc. announced that it would close its defense systems manufacturing plant in Renton by September 30 and lay off most of the plant's 400 employees. The firm said that the plant, which manufactured motorized weapons such as missle carriers, was not profitable. The closure will not affect its other Puget Sound operations. The firm also manufactures Kenworth and Peterbilt trucks.

Bank Merger to Close 11 Branches

The merger of Peoples Bank and Old National Bank, which will become U.S. Bank of Washington, will result in the closure of 11 branches which are close to other branches of the merged bank. Consolidation of the two banks will begin February 8. It is not known how many workers will lose their jobs, but the bank hopes to place 90 percent of those affected within the new organization.

Bank mergers are becoming common because of declining profits in banking. In 1980 national banks earned a 15 percent return on equity versus 12 percent in 1986. Mergers allow banks to eliminate duplicate overhead.

N Reactor Shutdown Likely

The permanent shutdown of the N Reactor at the Hanford Nuclear Reservation in the Tri-Cities area now appears likely with reports that both the departments of energy and defense believe the plant is no longer needed for national security. The plant produces plutonium for nuclear weapons. The N Reactor directly employs 6,500 workers, or ten percent of the workforce in the Tri-Cities Metropolitan Area.

At the end of January no final decision had been made, but federal budget cutbacks and the proposed nuclear arms agreements with the Soviet Union make termination of the plant likely. The N Reactor has been shut down since January 1987 for the installation of $70 million in safety improvements. Options appear to be immediate closure or allowing the safety improvements to be completed so that the plant could be restarted in the future if necessary. Even with the safety enhancements, however, the N Reactor is estimated to have only six years of operational life left.

NATIONAL INDICATORS

Outlook Mixed

National economic indicators continue mixed and offer little clue of developments in subsequent months. On the positive side, the Gross National Product (GNP) in the fourth quarter increased a surprisingly strong 4.2 percent, consumer confidence rose in December, industry capacity utilization was at a seven-year high at the end of 1987, and new orders rose to a three-month high in January. On the negative side, inventories increased substantially in the fourth quarter while consumer spending declined, housing starts plunged 16.2 percent in December to post their largest monthly decline in three years, and the Index of Leading Economic Indicators fell for the third consecutive month in December.

GNP Rise May Portend Drop

The 4.2 percent increase in the GNP during the fourth quarter to a large extent resulted from a build-up in inventories as consumer spending declined. Many analysts, therefore, expect production to slow during first quarter 1988 as businesses reduce inventories to more normal levels. Some drop in consumer spending in the fourth quarter, however, had been expected not only because of the stock market sell-off but because consumer spending rose significantly in the third quarter due to auto sales incentives. With the special incentives gone in the

fourth quarter, the supply of unsold cars increased. In addition, at least part of the inventory build-up at the factory level was to support growing export sales.

Exports Strong

Exports, in fact, also boosted the GNP in the fourth quarter as they rose faster than imports because of the declining value of the dollar. Merchandise exports jumped 19.7 percent in 1987, and accounted for one-third of U.S. economic growth. Imports growth slowed to 5.8 percent in 1987, resulting in a lowering of the trade deficit. The nation's factories, mines and utilities operated at 82.1 percent capacity in December, their highest operating rate in more than seven years, largely because of rising exports.

The Reagan Administration believes export growth and capital spending on plant and equipment will keep the economy growing in 1988. They expect growth to slow to 2.4 percent, however, down from 3.8 percent in 1987 (fourth quarter to fourth quarter). A survey by Dunn and Bradstreet Corp. found that 41 percent of U.S. companies plan to increase capital spending in 1988. One year ago a similar survey found that 33 percent expected to increase capital spending in 1987. The major reason for plans to invest more in 1988 is to boost capacity. The need to modernize and increase productivity was also important.

Consumer Confidence Rebounds

Contrasting with weaker consumer spending in the fourth quarter, the University of Michigan's Index of Consumer Sentiment rose to 86.8 in December after falling to 83.1 in November following the stock market sell-off. Based on a telephone survey of 500 households, over half of the respondents said the major factor which will affect their buying plans and attitudes on the economy in 1988 is interest rates.

Purchasing Agents Optimistic

The monthly survey by the National Association of Purchasing Management indicated the economic growth rate slowed in January but that growth in new orders was the largest in three months. An expansion in exports was credited for the pick-up. The association expects a strong economy in the first quarter.

The composite index of the survey slipped from 61.8 to 57.4 percent between December and January, but a level of over 50 percent

indicates the economy is expanding. Inventories rose in January for the first time in five months, but this may have been because firms were attempting to cope with slower deliveries, shortages and hedging on prices. Aluminum and several types of steel were reported to be in short supply.

Leading Indicators Fall Again

The Index of Leading Economic Indicators edged down 0.2 percent in December, its third consecutive decline with revised losses of 1.2 percent in November and 0.1 percent in October. Three consecutive declines in the index are often interpreted as a forerunner of a recession. A downturn does not always occur, however, and many economists do not believe a recession will occur this year.

Leading indicators on the downside in December included the average workweek in manufacturing, initial claims for unemployment insurance (increased), building permits, sensitive material prices, and stock market prices. Leading indicators on the positive side included orders for consumer goods, the business delivery index, and orders for plant and equipment. The money supply edged up slightly. Information on inventories and credit outstanding were not available for the preliminary December estimate.

CONSUMER PRICE INDEX*

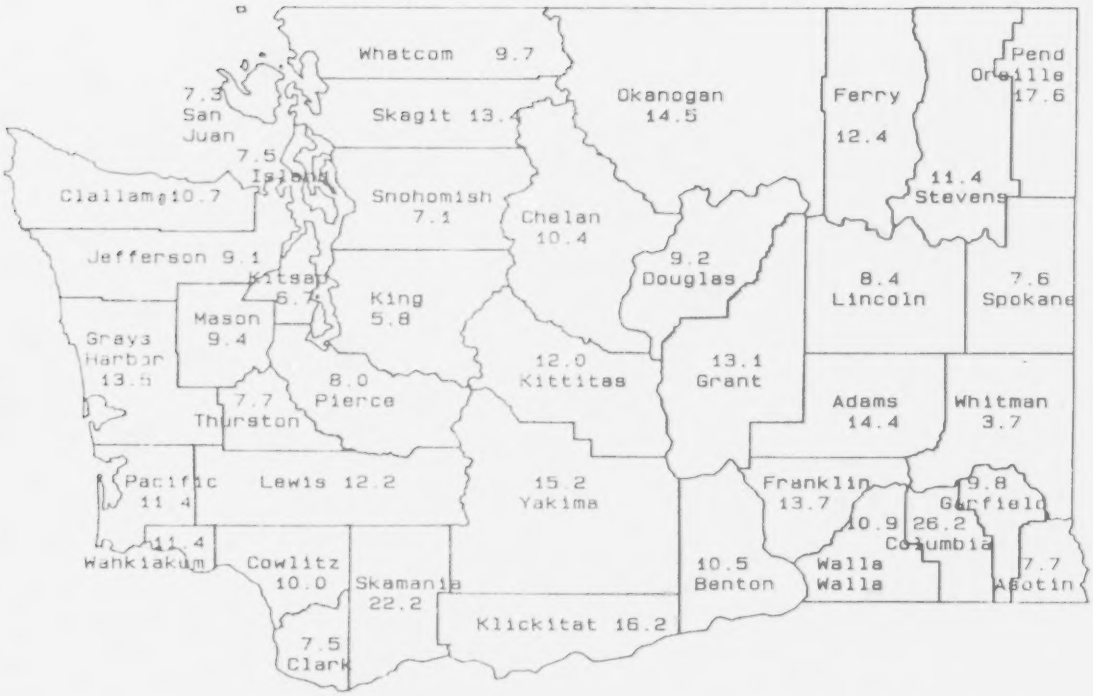
(All Items, Urban Consumers, 1967=100)

	INDEXES			PERCENT CHANGE Year Ending	
	Dec. 1987	Nov. 1987	Dec. 1986	Dec. 1987	Nov. 1987
U.S. City Average	345.7	345.3	331.1	4.4	4.5
	Jan.-June 1987	Jan.-June 1986		Jan.-June '86 to Jan.-June '87	
Seattle*	329.7	324.9		1.5	

* The Bureau of Labor Statistics no longer develops bimontnly CPI data for the Seattle area. The Seattle index is now published twice a year. The index for Seattle reflects prices in King, Pierce and Snohomish counties.

DECEMBER UNEMPLOYMENT RATES

State of Washington 7.9



Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT
IN WASHINGTON STATE AND LABOR MARKET AREAS

(Not Seasonally Adjusted)

DATE 2/2/88
Benchmark: 1986

	DECEMBER 1987 PRELIMINARY 1/				NOVEMBER 1987 REVISED 1/				DECEMBER 1986 REVISED			
	Labor Force	Employment	Unemploy-ment	Unemp. Rate	Labor Force	Employment	Unemploy-ment	Unemp. Rate	Labor Force	Employment	Unemploy-ment	Unemp. Rate
Washington State total	2,245,100	2,067,200	177,900	7.9	2,243,500	2,076,500	167,000	7.4	2,184,200	2,003,900	180,300	8.3
Bellingham MSA	57,700	52,100	5,600	9.7	58,000	53,100	4,900	8.4	56,300	51,100	5,200	9.2
Bremerton MSA	71,900	67,100	4,800	6.7	71,600	67,200	4,400	6.1	70,400	66,100	4,300	6.1
Olympia MSA	72,700	67,100	5,600	7.7	72,600	67,300	5,300	7.3	70,400	65,000	5,400	7.7
Seattle PMSA	1,015,500	954,200	61,300	6.0	1,009,700	950,500	59,200	5.9	979,300	918,600	60,700	6.2
King County 2/	808,100	761,500	46,600	5.8	804,000	758,500	45,500	5.7	779,400	733,100	46,300	5.9
Snohomish County 2/	207,400	192,700	14,700	7.1	205,700	192,000	13,700	6.7	199,900	185,500	14,400	7.2
Spokane MSA	166,100	153,400	12,700	7.6	165,700	153,500	12,200	7.4	164,100	150,200	13,900	8.5
Tacoma PMSA	242,000	222,600	19,400	8.0	241,600	222,900	18,700	7.7	232,900	213,100	19,800	8.5
Tri-Cities MSA	65,000	57,700	7,300	11.2	65,800	58,700	7,100	10.8	66,500	58,700	7,800	11.7
Benton County 2/	49,700	44,500	5,200	10.5	50,400	45,300	5,100	10.1	51,000	45,300	5,700	11.2
Franklin County 2/	15,300	13,200	2,100	13.7	15,400	13,400	2,000	13.0	15,500	13,400	2,100	13.5
Vancouver PMSA	107,500	99,400	8,100	7.5	108,300	100,700	7,600	7.0	103,000	93,800	9,200	8.9
Yakima MSA	84,000	71,200	12,800	15.2	84,900	73,400	11,500	13.5	81,300	69,100	12,200	15.0
Adams	6,300	5,390	910	14.4	6,500	5,500	1,000	15.4	6,020	5,190	830	13.8
Asotin	8,430	7,780	650	7.7	8,460	7,830	630	7.4	8,230	7,570	660	8.0
Clallam	22,270	19,890	2,380	10.7	22,230	20,150	2,080	9.4	21,470	19,350	2,120	9.9
Columbia	1,830	1,350	480	26.2	1,800	1,380	420	23.3	1,880	1,350	530	28.2
Cowlitz	33,810	30,420	3,390	10.0	33,460	30,400	3,060	9.1	33,490	30,170	3,320	9.9
Ferry	2,510	2,200	310	12.4	2,510	2,240	270	10.8	2,340	2,070	270	11.5
Garfield	1,020	920	100	9.8	1,010	930	80	7.9	1,020	900	120	11.8
Grant	23,820	20,710	3,110	13.1	24,480	21,510	2,970	12.1	24,400	21,140	3,260	13.4
Grays Harbor	25,330	21,920	3,410	13.5	25,580	22,390	3,190	12.5	25,710	22,440	3,270	12.7
Island	18,030	16,680	1,350	7.5	17,920	16,740	1,180	6.6	16,730	15,580	1,150	6.9
Jefferson	7,780	7,070	710	9.1	8,070	7,460	610	7.6	7,600	6,920	680	8.9
Kittitas	11,240	9,890	1,350	12.0	11,580	10,580	1,000	8.6	11,500	10,050	1,450	12.6
Klickitat	6,860	5,750	1,110	16.2	7,200	6,260	940	13.1	7,510	6,180	1,330	17.7
Lewis	24,040	21,100	2,940	12.2	23,980	21,410	2,570	10.7	23,790	21,060	2,730	11.5
Lincoln	4,040	3,700	340	8.4	4,140	3,780	360	8.7	4,370	3,970	400	9.2
Mason	12,520	11,340	1,180	9.4	12,410	11,420	990	8.0	13,170	11,900	1,270	9.6
Okanogan	14,200	12,140	2,060	14.5	14,670	12,760	1,910	13.0	13,910	11,580	2,330	16.8
Pacific	6,320	5,600	720	11.4	6,420	5,660	760	11.8	6,760	5,940	820	12.1
Pend Oreille	2,900	2,390	510	17.6	2,920	2,450	470	16.1	3,020	2,340	680	22.5
San Juan	4,800	4,450	350	7.3	4,940	4,630	310	6.3	4,150	3,730	420	10.1
Skagit	31,100	26,930	4,170	13.4	31,060	27,430	3,630	11.7	30,570	26,430	4,140	13.5
Skamania	2,430	1,890	540	22.2	2,430	2,030	400	16.5	2,280	1,820	460	20.2
Stevens	11,130	9,860	1,270	11.4	11,070	9,980	1,090	9.8	10,460	9,060	1,400	13.4
Wahkiakum	1,050	930	120	11.4	1,070	960	110	10.3	1,100	950	150	13.6
Walla Walla	22,660	20,200	2,460	10.9	22,370	20,530	1,840	8.2	22,870	20,140	2,730	11.9
Wenatchee Labor Area	38,320	34,490	3,830	10.0	38,440	34,850	3,590	9.3	37,860	33,340	4,520	11.9
Chelan County 2/	26,010	23,310	2,700	10.4	26,090	23,550	2,540	9.7	25,730	22,530	3,200	12.4
Douglas County 2/	12,310	11,180	1,130	9.2	12,350	11,300	1,050	8.5	12,130	10,810	1,320	10.9
Whitman	18,020	17,350	670	3.7	18,630	17,860	770	4.1	18,000	17,170	830	4.6

1/ Estimates provided here are for use as an economic time-series.

2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT
ESTIMATES FOR FEDERAL PROGRAM PURPOSES

February 2, 1988
Benchmark: 1986

(Not Seasonally Adjusted)

	DECEMBER 1987 PRELIMINARY 1/				NOVEMBER 1987 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,255,000	2,081,300	173,700	7.7	2,245,300	2,088,100	157,200	7.0
Bellingham MSA	57,900	52,500	5,400	9.3	58,100	53,400	4,700	8.1
Bremerton MSA	72,300	67,600	4,700	6.5	71,700	67,600	4,100	5.7
Olympia MSA	73,000	67,500	5,500	7.5	72,600	67,700	4,900	6.7
Seattle PMSA	1,020,500	960,700	59,800	5.9	1,011,600	955,800	55,800	5.5
King County 2/	812,100	766,700	45,400	5.6	805,700	762,800	42,900	5.3
Snohomish County 2/	208,400	194,000	14,400	6.9	205,900	193,000	12,900	6.3
Spokane MSA	166,800	154,400	12,400	7.4	165,700	154,300	11,400	6.9
Tacoma MSA	243,100	224,200	18,900	7.8	241,700	224,100	17,600	7.3
Tri-Cities MSA	65,200	58,100	7,100	10.9	65,600	59,000	6,600	10.1
Benton County 2/	49,900	44,800	5,100	10.2	50,300	45,500	4,800	9.5
Franklin County 2/	15,400	13,300	2,100	13.6	15,400	13,500	1,900	12.3
Vancouver PMSA	108,000	100,100	7,900	7.3	108,500	101,300	7,200	6.6
Yakima MSA	84,200	71,700	12,500	14.8	84,600	73,800	10,800	12.8
Adams	6,300	5,420	880	14.0	6,470	5,530	940	14.5
Asotin	8,460	7,830	630	7.4	8,470	7,880	590	7.0
Clallam	22,350	20,020	2,330	10.4	22,230	20,270	1,960	8.8
Columbia	1,830	1,360	470	25.7	1,780	1,390	390	21.9
Cowlitz	33,940	30,630	3,310	9.8	33,450	30,570	2,880	8.6
Ferry	2,510	2,210	300	12.0	2,510	2,260	250	10.0
Garfield	1,010	920	90	8.9	1,020	940	80	7.8
Grant	23,890	20,850	3,040	12.7	24,430	21,630	2,800	11.5
Grays Harbor	25,400	22,070	3,330	13.1	25,520	22,520	3,000	11.8
Island	18,110	16,790	1,320	7.3	17,940	16,830	1,110	6.2
Jefferson	7,820	7,120	700	9.0	8,080	7,500	580	7.2
Kittitas	11,270	9,950	1,320	11.7	11,590	10,640	950	8.2
Klickitat	6,880	5,790	1,090	15.8	7,180	6,300	880	12.3
Lewis	24,120	21,250	2,870	11.9	23,950	21,530	2,420	10.1
Lincoln	4,060	3,730	330	8.1	4,140	3,800	340	8.2
Mason	12,560	11,410	1,150	9.2	12,410	11,480	930	7.5
Okanogan	14,230	12,220	2,010	14.1	14,620	12,830	1,790	12.2
Pacific	6,340	5,640	700	11.0	6,400	5,690	710	11.1
Pend Oreille	2,900	2,400	500	17.2	2,910	2,470	440	15.1
San Juan	4,820	4,480	340	7.1	4,960	4,660	300	6.0
Skagit	31,190	27,120	4,070	13.0	31,000	27,590	3,410	11.0
Skamania	2,440	1,910	530	21.7	2,410	2,040	370	15.4
Stevens	11,170	9,930	1,240	11.1	11,070	10,040	1,030	9.3
Wahkiakum	1,060	940	120	11.3	1,080	970	110	10.2
Walla Walla	22,740	20,340	2,400	10.6	22,370	20,640	1,730	7.7
Wenatchee Labor Area	38,460	34,720	3,740	9.7	38,420	35,040	3,380	8.8
Chelan County 2/	26,110	23,470	2,640	10.1	26,070	23,680	2,390	9.2
Douglas County 2/	12,360	11,260	1,100	8.9	12,350	11,360	990	8.0
Whitman	18,120	17,460	660	3.6	18,680	17,960	720	3.9

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/

(In Thousands)

NOT SEASONALLY ADJUSTED Industry	December 1987 (Prel.)	November 1987 (REV.)	December 1986 (REV.)	November 1986 (REV.)	Numerical Change Nov. 1987 to Dec. 1987	Numerical Change Dec. 1986 to Dec. 1987
TOTAL NONAG. WAGE AND SALARY	1874.3	1875.3	1791.6	1796.9	-1.0	82.7
MANUFACTURING	320.9	323.2	302.1	305.1	-2.3	18.8
Durable Goods	227.6	228.2	211.9	213.8	-0.6	15.7
Lumber & Wood Products	39.7	40.3	37.4	37.8 3/	-0.6	2.3
Furniture & Fixtures	4.1	4.2	4.0	4.1	-0.1	0.1
Stone, Clay & Glass	6.1	6.3	6.1	6.3 3/	-0.2	0.0
Primary Metals	12.0	12.0	11.5	11.6	0.0	0.5
Aluminum	8.1	8.0	7.5	7.6	0.1	0.6
Fabricated Metals	10.3	10.7	9.5	10.0	-0.4	0.8
Machinery	29.1	29.0	28.0	28.0	0.1	1.1
Machinery (Exc. Elec.)	16.8	16.6	16.0 3/	15.9 3/	0.2	0.8
Electrical Equip	12.3	12.4	12.0	12.1	-0.1	0.3
Transportation Equip	111.0	110.6	100.7	101.3	0.4	10.3
Aerospace	97.2	96.8	88.2	88.2	0.4	9.0
Other Transp. Equip	13.8	13.8	12.5 3/	13.1	0.0	1.3
Instruments & Related	10.3	10.2	9.9	9.9	0.1	0.4
Misc. Manufacturing	5.0	4.9	4.8	4.8	0.1	0.2
Nondurable Goods	93.3	95.0	90.2	91.3	-1.7	3.1
Food & Kindred Products	29.5	31.3	28.7	30.0	-1.8	0.8
Canned & Preserved Foods	9.3	10.9	9.0	10.5	-1.6	0.3
Apparel & Allied Products	6.6	6.6	6.0	6.1	0.0	0.6
Paper & Allied Products	17.4	17.3	17.2	17.0	0.1	0.2
Printing & Publishing	19.9	19.7	19.0	18.9	0.2	0.9
Chemicals & Allied Products	11.4	11.5	11.5	11.4	-0.1	-0.1
Other Nondurable Goods 2/	8.5	8.6	7.8	7.9	-0.1	0.7
MINING & QUARRYING	3.0	3.0	2.8	2.8	0.0	0.2
CONSTRUCTION	89.4	92.8	83.5	86.6	-3.4	5.9
TRANSP.,COMM. & UTIL	100.3	99.8	95.6 3/	96.0	0.5	4.7
WHOLESALE & RETAIL TRADE	474.7	469.4	447.3	443.7	5.3	27.4
Wholesale Trade	112.9	114.2	108.5	109.3	-1.3	4.4
Retail Trade	361.8	355.2	338.8	334.4	6.6	23.0
FIN. INS. & REAL ESTATE	107.9	107.6	106.0	105.7	0.3	1.9
SERVICES	419.4	418.1	399.9	399.6	1.3	19.5
Health Services	130.8	130.0	124.6	124.0	0.8	6.2
GOVERNMENT	358.7	361.4	354.4	357.4	-2.7	4.3
Federal	71.1	71.3	70.7	70.5	-0.2	0.4
State & Local	287.6	290.1	283.7	286.9	-2.5	3.9
Education	155.9	157.8	153.0	155.2	-1.9	2.9
WORKERS IN LABOR-MANAGEMENT DISPUTES	0.0	0.0	1.0	0.4	0.0	-1.0

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Workers excluded because of involvement in labor-management disputes.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	Prelim Dec Production Workers/ Nonsupervisory Workers	Average Weekly Earnings Dec-87	Nov-87	Dec-86	Average Weekly Hours Dec-87	Nov-87	Dec-86	Average Hourly Earnings Dec-87	Nov-87	Dec-86
TOTAL MANUFACTURING INDUSTRIES*	184,[illegible]	$475.[illegible]	$486.[illegible]	$482.[illegible]	[illegible]	40.4	40.[illegible]	$11.[illegible]	$12.[illegible]	$1[illegible]
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	34,100	$410.30	$429.31	$421.76	37.3	38.4	38.8	$11.00	$11.18	$10.87
Primary Metal Industries	9,500	$573.35	$559.28	$551.61	45.3	44.6	43.4	$12.67	$12.54	$12.71
Fabricated Metal Products	[illegible]	$447.54	$436.9[illegible]	$451.93	39.5	39.4	4[illegible].1	$11.[illegible]	$11.09	$11.27
Machinery	18,[illegible]	$389.09	$380.09	$389.20	[illegible]	[illegible]	[illegible]	$9.56	$9.[illegible]	$9.[illegible]
Food and Kindred Products	20,600	$3[illegible].28	$351.45	$366.15	35.8	35.5	37.4	$9.98	$9.90	$9.79
Chemical and Allied Products	4,300	$631.[illegible]	$749.58	$602.52	40.3	46.5	4[illegible].9	$15.67	$16.12	$14.38
Transportation Equipment	42,500	$623.66	$640.06	$573.7[illegible]	43.4	43.9	4[illegible].0	$14.37	$14.58	$13.66
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	63,700	$573.18	$575.43	$585.34	36.3	36.1	37.0	$15.79	$15.94	$15.82
Wholesale and Retail Trade (does not include eating and drinking establishments)	306,800	$315.55	$320.86	$319.26	34.6	34.8	34.0	$9.12	$9.22	$9.39

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor-management disputes

Employment Security Department
KG-11
Olympia WA 98504-5311

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Washington LABOR MARKET

February 1988

JOB SERVICE

Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Gary Bodeutsch
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

Revised Labor Force Tables
--Pages 17 - 19

Highlights

Winter Lowers Job Level

Employment began the new year as usual by posting a sharp drop from January because of the completion of holiday sales jobs, seasonal cutbacks in outdoor work and tourist business. Nonetheless, employment remains high, confounding those discovering signs of a recession with the release of every economic data series. The business cycle is still with us and a recession will eventually occur, but it appears increasingly unlikely this year.

Total employment dropped 40,300 in Washington State between December and January which was less than usual for the period. After seasonal adjustment total employment rose 2,400 over the month. The over-the-year comparison also reflected strength in the economy with the job total advancing 72,100, or 3.6 percent, year to year. Nationally, total employment was up 2.8 percent over the year in January.

Volume 12, Number 2

	Jan. 1987* (Prel.)	Dec. 1987 (Rev.)	Jan. 1986
Civilian Labor Force	2,250,900	2,286,000	2,186,700
Total Employment	2,064,600	2,104,900	1,992,500
Total Unemployment	186,300	181,100	194,200
State Unemployment Rate	8.3	7.9	8.9
National Civilian Unemployment Rate	6.3	5.4	7.3

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

Unemployment Down After Seasonal Adjustment

Total unemployment rate rose from 7.9 to 8.3 percent between December and January in response to seasonal job losses. After seasonal adjustment, however, the rate fell from 7.5 to 7.2 percent. On a seasonally adjusted basis, the January rate was the lowest since early 1980. The high in recent years was 12.8 percent in September and October 1982 when the nation and the state were in a severe recession. In Washington State employment in the lumber industry was depressed and aerospace payrolls were declining.

JANUARY INDUSTRY DEVELOPMENTS

Retail Trade Leads Seasonal Cutbacks

Nonagricultural wage and salary employment fell 35,100 between December and January with 45 percent of the drop in retail trade. Retail payrolls were down 15,900 largely because of the end of holiday sales jobs. Restaurants contributed to the drop as did food stores and hardware and other building material outlets. Special holiday functions helped maintain employment levels at restaurants in December while sales at food stores benefited from special holiday meals and festivities. Building material stores are at a low point in January, of course, because of weather conditions. If past seasonal patterns are followed, employment in retail trade will fall an additional two to four thousand in February because of the end of post-holiday sales and inventory work in January and then begin expanding in March with the approach of spring.

Builders Head for Shelter

Construction employment slipped 5,800 in January as weather conditions forced many outdoor projects to temporarily suspend work, while most new starts were being delayed until spring. The drop, however, was no more than usual for this time of the year, and employment in the building trades remained ahead of last year's level. Whether it will remain ahead of its year-ago pace in subsequent months is questionable, though. Nationally, January housing starts were at their lowest level since the 1982 recession. Monthly housing start estimates in the winter months are subject to wide variation because of substantial seasonal adjustment factors. Nonetheless, the trend has unquestionably been down. Recent declines in mortgage rates, however, should give the industry a boost.

Government civilian payrolls also fell in January (down 3,200) because of cutbacks in outdoor government jobs, postal jobs, and temporary reductions at public colleges, which were between terms. Cushioning the drop somewhat was the beginning of the legislative session in Olympia.

Skiing and Accounting Ease Losses in Services

Seasonal contractions in the service industries lowered employment 3,000 over the month. Cutbacks were reported in agricultural services and at hotels, where business slowed with holiday functions over. Temporary help agencies also reported fewer workers with demand for holiday help over, and private colleges, like public colleges, cut employment until the beginning of a new term. Offsetting some of these losses were expansions at ski resorts and in other winter amusements such as bowling, symphony and theatrical productions. Accounting services also moved ahead with the beginning of the income tax period.

In other nonmanufacturing industries, employment also trended down in January. Wholesale trade fell 2,900 with less fresh fruit and vegetables available to ship and a less active retail sector to support. Finance, insurance, and real estate was down 1,100 largely because of a seasonal slump in housing sales. Small losses were reported in transportation and banking.

Aerospace Up Again

Manufacturing employment declined 2,800 in January because of seasonal cutbacks. The food processing and lumber industries each lowered employment 900, but payrolls in both cases

remained higher than in January 1987. Printing and publishing was down 300 with the end of special printing for the holiday season. Stone-clay-glass products (down 300) and fabricated metals (down 200) reduced staffing because of a seasonal cutback in orders from the construction industry.

On the upside, aerospace continued its expansion and added 500 employees to begin the new year. Aluminum added 200 workers to extend its recovery. Aluminum smelters in the state are now running close to capacity.

YEAR-TO-YEAR DEVELOPMENTS

Services Leads Growth Over the Year

Contrasting with the seasonal drop between December and January, nonagricultural wage and salary employment advanced 78,500 over the year. The services industries added 28,700 jobs to account for more than one-third of the growth. Business services alone was up 9,100 with large gains at personnel supply agencies, in data processing, protective services, equipment leasing and rental, and consulting services. Health services added another 7,500 jobs. Growth at establishments providing rehabilitation to individuals with drug and alcohol problems and at clinics assisting those who wish to quit smoking was a significant factor in the health care job gains as was the proliferation of general medical clinics. Social services also expanded with continued growth in day care and services to the elderly.

Retail trade employment jumped 15,000 over the year with all major segments of the industry contributing. General merchandise and food stores posted the largest gains with the opening of a number of large stores over the past 12 months. Restaurant employment also continued expanding at a substantial clip.

Government Payrolls Grow With Population

Elsewhere in the nonmanufacturing industries, transportation-communications-utilities added 5,600 year to year with most of the growth in transportation which expanded to support increasing business activity. Government civilian payrolls increased 4,800, or 1.4 percent, well below the 4.4 percent increase in nonfarm payrolls but equal to the state's population growth between 1986 and 1987. Finance, insurance and real estate also expanded at a relatively slow pace, up 1,400, or

1.3 percent. Here competitive pressures at financial institutions have resulted in mergers and other actions to reduce costs which limited overall employment growth.

Manufacturing Up Strongly Over The Year

Manufacturing employment was up 16,200 over the year in January for a gain of 5.3 percent, which was relatively greater than the 4.3 percent increase in the nonmanufacturing industries. Aerospace, up 9,000, accounted for over one-half of the new jobs but nearly all other goods-producing industries added workers to lend depth to the expansion. The only loss in manufacturing occurred in chemicals (off 400) where payrolls in the nuclear field were down. Further losses will occur in this industry in subsequent months because of the decision not to restart the N Reactor.

Noteable year-to-year increases included lumber (up 1,100) where activity continues strong following record production levels in 1987. Machinery payrolls rose 1,700 largely because of recovery in the computer industry and rising demand for components. "Other transportation equipment" added 900 workers as expansions at pleasure-craft builders more than offset losses at shipyards. Food products posted a gain of 600, largely due to strong growth in fish and seafood processing, which resulted from improved harvests and additions to the state's processing capability. Printing and publishing employment rose 800 with more national and regional catalog and special order printing being done in the state.

AREA TRENDS

Rural Counties See Unemployment Climb

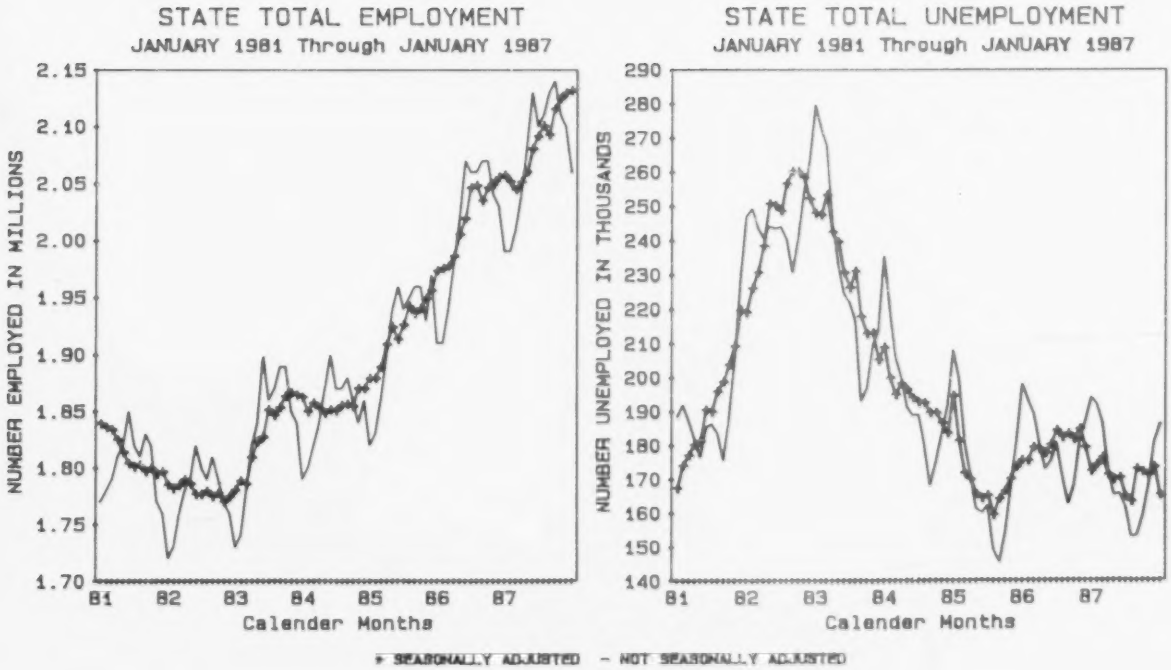
Unemployment rose in most areas of the state in January as usual. Generally rural areas with economies tied to agriculture or lumbering experienced the largest increases. The seasonal decline in retail trade which was centered in the metropolitan areas did not influence the unemployment level greatly. Many, if not most, of the holiday jobs were filled by youth and other temporary entrants to the labor force who withdrew from the job market when their jobs ended.

The overall jobless rate in Western Washington was relatively stable over the month, edging up from 7.2 to 7.3 percent. The rate in the Seattle Metropolitan Area rose only one-tenth of a point in January to 6.1 percent, while the jobless rate in the Tacoma Metropolitan Area

remained unchanged at 8.0 percent. Rates in some counties highly dependent on the lumber industry, however, rose substantially. Mason County saw its rate rise from 9.3 to 10.6 percent, while Skamania County's rate jumped from 24.9 to 35.2 percent--the highest in the state. Local conditions often overrode the overall trend, though. The rate in Grays Harbor County fell from 13.6 to 13.0 percent as lumber payrolls advanced with weather conditions relatively mild for January.

Rates Higher on East Side

In Eastern Washington the unemployment rate rose from 10.7 to 11.7 percent because of relatively colder weather than west of the Cascades and the usual January downturn in agriculture and food processing. In Eastern Washington's metropolitan areas, the jobless rate in Yakima jumped from 14.9 to 17.0 percent between December and January; the rate in the Tri-Cities area rose from 11.1 to 11.7 percent, while the rate in the Spokane area increased from 7.7 to 8.2 percent.



INDUSTRY NOTES

N Reactor to Be Mothballed

The U.S. Department of Energy decided in mid-February to mothball the N Reactor at the Hanford Nuclear Reservation in the Tri-Cities area. As a result, approximately 6,000-6,500 jobs will be eliminated by 1995. The plant produced plutonium for nuclear weapons.

These job losses are in addition to the 1,200 jobs which will end because Hanford was eliminated as a prospective site for the nation's nuclear waste despository. Approximately 300 of those workers were scheduled to be laid off at the end of February. An additional 800 will be terminated by September 1988, and the remaining 100 will see their jobs end by September 1989.

Layoffs resulting from the mothballing of the N Reactor include 900 by September 30, 1988, which includes 300 workers employed on safety enhancement to the reactor who would have completed their work anyway. By September 30, 1989 an additional 2,000 workers will be terminated with the largest layoffs in the first quarter 1989. From September 30, 1989 to 1995, an estimated 3,000 to 3,400 workers employed on related defense materials production projects will be terminated.

The impact on the Tri-Cities area will be substantial. There is little alternative employment in the area for the skills of many of those employed at the N Reactor and related facilities. The 6,000 jobs being lost because of the closure of the N Reactor represent almost ten percent of total employment in the Tri-Cities area.

Proposed Budget Would Reduce Fort Lewis Staffing

The president's proposed fiscal 1989 budget calls for the deactivation of one of the three 9th Infantry Division brigades at Fort Lewis and the elimination of the Army Development and Employment Agency (EDEA) at the fort. The Army proposes replacing the EDEA with a "tactical control and control experiment site" having a budget of $12 million, which is $24 million less than the budget for the EDEA.

If approved by Congress, the cuts at Fort Lewis would result in the loss of 2,831 military positions and 453 civilian jobs. The payroll drop would total $64.5 million. Reductions at Fort Lewis would be partially offset by the

transfer of an air defense battalian from Fort Ord to Fort Lewis with 368 military positions. The proposed budget calls for a net gain at McChord Air Force Base of eight planes and 173 positions.

Lacey Plywood Cuts Back

Lacey Plywood Company announced in February that it had reduced production and cut its workforce by 25 percent because of weaker markets. A company spokesman said that the firm had to increase the price of its plywood because of the rising cost of logs. The higher prices reduced plywood demand. He blamed rising log prices on strong export demand for logs, the dry fall weather, which reduced logging, and delays in federal timber sales. A federal court recently issued a ruling which extended the time for public comment on some 188 timber sales. Lacey Plywood employs about 125 workers, according to the spokesman.

Hewlett-Packard May Expand

Hewlett-Packard Company, which has about 2,700 employees in Washington State according to a company spokeswoman, expects its employment in the state to grow about ten percent in the next two years. The growth, however, depends on the success of some recently introduced products such as an ink-jet printer and an impact printer.

The firm has manufacturing plants in Vancouver, Spokane, and Lake Stevens (near Everett) and a sales office in Bellevue. The prospects for expansion are greatest at the Vancouver plant, which has about 500 employees. The spokeswoman cautioned that there are also weaknesses that make growth uncertain. The Spokane and Lake Stevens plants are highly dependent on military business, directly and with prime contractors. Proposed cuts in the defense budget could reduce their military sales.

NATIONAL INDICATORS

Mostly Sunny

Economic indicators in January were mainly positive. The nation's foreign trade deficit at long last has begun to shrink due to rising exports, and the operating rate of factories was high because of growing offshore demand. Retail sales continued to expand, although at a modest pace. The outlook on the 1988 economy by both economists and consumers has improved since the stock market sell-off in October. The Index of Leading Economic Indicators fell in January, however, the December index level was revised from a loss to an increase.

Foreign Trade Deficit Down

According to still preliminary data, the nation's trade deficit fell to $12.2 billion in December from $13.2 billion in November and a record $17.6 billion in October. The deficit narrowed in January because of rising exports, while imports remained stable. For the final quarter of 1987, exports rose six percent while imports climbed four percent. Exports in recent months have been buoyed by the decline in the value of the dollar relative to foreign currencies. The dollar is now worth about 50 percent of its mid-1985 value in terms of the Japanese yen and key European currencies making U.S. goods more competitive abroad. On the other hand, rising prices of foreign goods is keeping the dollar value of imports to the U.S. high.

Factories Humming

The nation's factories, mines and utilities operated at 82.2 percent of capacity in January, unchanged from December, but the December and January rates were the highest since March 1980. The strength, of course, reflects rising export demand. Factories alone operated at 82.4 percent of capacity in January even though auto plants operated at only 59 percent in that month, down from 63.9 percent of capacity in December.

Consumers and Economists Perk Up

Both consumers and economists lifted their expectations of economic conditions for 1988 in January. The Index of Consumer Sentiment of the University of Michigan's Institute for Social Research found that more Americans see a strong economy instead of a weak one for 1988 for the first time since the stock market sell-off in October. The index rose from 86.8 percent in December to 90.8 percent in January. The index fell to 83.1 percent following the market crash.

Meanwhile, a survey of its members by the National Association of Business Economists found that the proportion of economists surveyed who expect a recession in 1988 fell from one-half following the stock market sell-off in October to one-fourth in the latest survey. Most economists now expect modest growth in 1988, stable interest rates and a slight drop in the rate of inflation. About 60 percent of the economists surveyed, however, now believe a recession will occur in 1989.

Leading Indicators Up and Down

The Index of Leading Economic Indicators, the government's main barometer for future economic activity, fell 0.6 percent in January, but December's estimate was revised from a decline of 0.2 percent to a 0.3 percent increase. With the original December estimate, January would have been the third consecutive monthly decline, which some economists believe would have been an indication that a recession would soon occur.

Reactions to the December revision and January decline were generally favorable. Analysts noted that the largest contributor to the January decline was an increase in the number of initial claims for unemployment compensation which have been declining recently.

Besides unemployment claims, leading indicators on the negative side in January were orders for consumer goods, the business delivery index and sensitive materials prices. The declines in these indicators may reflect the working off of excessive inventories built up during the fourth quarter. Building permits also fell in January. Leading indicators posting advances in January were the average workweek, orders for plant and equipment, stock market prices and the money supply. Data were not available in computing the preliminary January index for inventories or credit outstanding.

ESTIMATES REVISED

Resident civilian labor force, employment, and unemployment estimates for 1987 have been adjusted to 1987 average annual data from that portion of the national Current Population Survey conducted in this state. Estimates for 1984-1986 have also been revised. Tables containing the revised data and estimates for prior years are included in this report.

Nonagricultural wage and salary employment estimates for 1986 and 1987 have also been revised. Current nonfarm wage and salary employment estimates prepared by the Employment Security Department are based upon monthly reports received from approximately 5,800 cooperating establishments. While estimates prepared from these reports are timely, they lack the accuracy of our revised estimates. The revised estimates are based upon more complete data contained in tax returns received at later dates from establishments

covered by the Washington State Employment Security Act and from reports on federal civilian employment. Reports on covered and federal civilian employment provide almost complete counts of nonagricultural wage and salary employment. The major exceptions to covered employment are railroad employment, employment in religious organizations, and at private, primary and secondary educational institutions. Most corporate officers are also excluded. Noncovered employment is estimated from a variety of sources--special surveys, relationships between covered and noncovered employment in the Current Population Survey, reports from individual employers, etc.

Each year estimates are updated to conform with the latest tax return data and the best available information of noncovered wage and salary employment. The 1986 estimates are based on tax return data for the entire year, while those for 1987 are based on tax data through March 1987. Tables containing the revised 1986 and 1987 nonagricultural wage and salary estimates are included in this report.

CONSUMER PRICE INDEX*

(All Items, Urban Consumers, 1982-1984=100)**

	INDEXES			PERCENT CHANGE Year Ending	
	Jan. 1988	Dec. 1987	Jan. 1987	Jan. 1988	Dec. 1987
U.S. City Average	115.7	115.4	111.2	4.0	4.7

	July-Dec. 1987	July-Dec. 1986	July-Dec. '86 to July-Dec. '87
Seattle*	110.3	106.7	3.4

* The index for Seattle reflects prices in King, Pierce and Snohomish counties.

** The base period for the index has been changed from 1967=100 to 1982-1984=100. The conversion factors for the All Items, Urban Consumers Indexes on the 1967=100 base are U.S=0.3336279, Seattle=0.3280421.

Source: U.S. Department of Labor, Bureau of Labor Statistics

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/

(In Thousands)

NOT SEASONALLY ADJUSTED Industry	January 1988 (PREL.)	December 1987 (REV.)	January 1987 (REV.)	December 1986 (REV.)	Numerical Change Dec. 1987 to Jan. 1988	Numerical Change Jan. 1987 to Jan. 1988
TOTAL NONAG. WAGE AND SALARY.....	1845.3	1880.4	1766.8	1800.1	-35.1	78.5
MANUFACTURING.....	320.5	323.3	304.3	305.2	-2.8	16.2
Durable Goods.....	228.5	229.6	213.7	213.8	-1.1	14.8
Lumber & Wood Products.....	39.1	40.0	38.0	38.8	-0.9	1.1
Furniture & Fixtures.....	3.6	3.8	3.6	3.8	-0.2	0.0
Stone, Clay & Glass.....	6.1	6.4	5.7	6.0	-0.3	0.4
Primary Metals.....	11.9	11.7	11.4	11.3	0.2	0.5
Aluminum.....	8.1	7.9	7.6	7.4	0.2	0.5
Fabricated Metals.....	10.4	10.6	9.6	9.7	-0.2	0.8
Machinery.....	30.1	30.2	28.4	28.5	-0.1	1.7
Machinery (Exc. Elec.)...	17.0	17.1	15.4 _3/	15.5 _3/	-0.1	1.6
Electrical Equip.....	13.1	13.1	13.0	13.0	0.0	0.1
Transportation Equip.....	111.8	111.2	101.9	100.6	0.6	9.9
Aerospace.....	98.0	97.5	89.0	88.0	0.5	9.0
Other Transp. Equip.....	13.8	13.7	12.9 _3/	12.6 _3/	0.1	0.9
Instruments & Related.....	10.7	10.8	10.6	10.3	-0.1	0.1
Misc. Manufacturing.....	4.8	4.9	4.5	4.8	-0.1	0.3
Nondurable Goods.....	92.0	93.7	90.6	91.4	-1.7	1.4
Food & Kindred Products....	29.7	30.6	29.1	29.9	-0.9	0.6
Canned & Preserved Foods.	9.4	9.9	9.2	9.5	-0.5	0.2
Apparel & Allied Products..	5.9	6.1	5.9	6.4	-0.2	0.0
Paper & Allied Products....	16.4	16.5	16.4	16.6	-0.1	0.0
Printing & Publishing.....	20.4	20.7	19.6	19.1	-0.3	0.8
Chemicals & Allied Products	11.0	11.2	11.4	11.4	-0.2	-0.4
Other Nondurable Goods 2/.	8.6	8.6	8.2	8.0	0.0	0.4
MINING & QUARRYING	3.0	3.1	2.7	2.8	-0.1	0.3
CONSTRUCTION.....	80.9	86.7	77.5	83.1	-5.8	3.4
TRANSP.,COMM. & UTIL.....	100.1	100.4	94.5 _3/	97.2 _3/	-0.3	5.6
WHOLESALE & RETAIL TRADE.....	450.7	469.5	432.6	452.8	-18.8	18.1
Wholesale Trade.....	107.7	110.6	104.6	108.3	-2.9	3.1
Retail Trade.....	343.0	358.9	328.0 _3/	344.5	-15.9	15.0
FIN. INS. & REAL ESTATE.....	106.1	107.2	104.7	106.1	-1.1	1.4
SERVICES.....	426.5	429.5	397.8	397.6	-3.0	28.7
Health Services.....	133.1	133.2	125.6	125.3	-0.1	7.5
GOVERNMENT.....	357.5	360.7	352.7	355.3	-3.2	4.8
Federal.....	68.8	70.1	68.3	69.7	-1.3	0.5
State & Local.....	288.7	290.6	284.4	285.6	-1.9	4.3
Education.....	154.9	156.4	154.6	155.0	-1.5	0.3
WORKERS IN LABOR-MANAGEMENT DISPUTES.....	0.0	0.0	1.4	1.0	0.0	-1.4

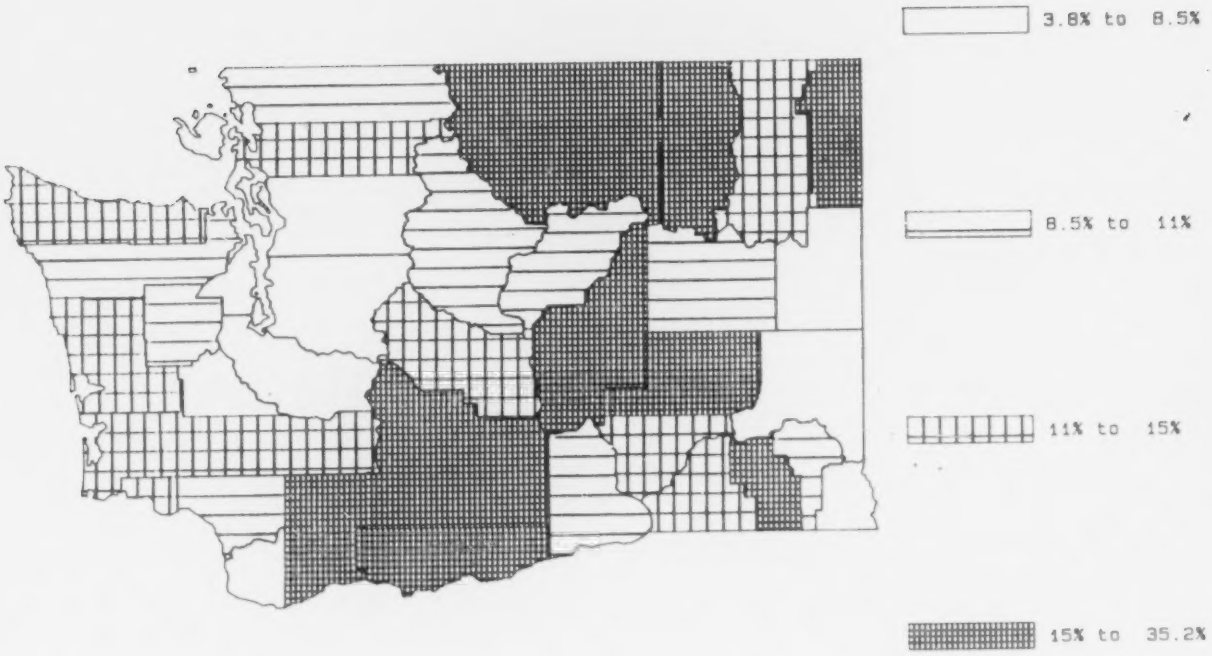
_1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

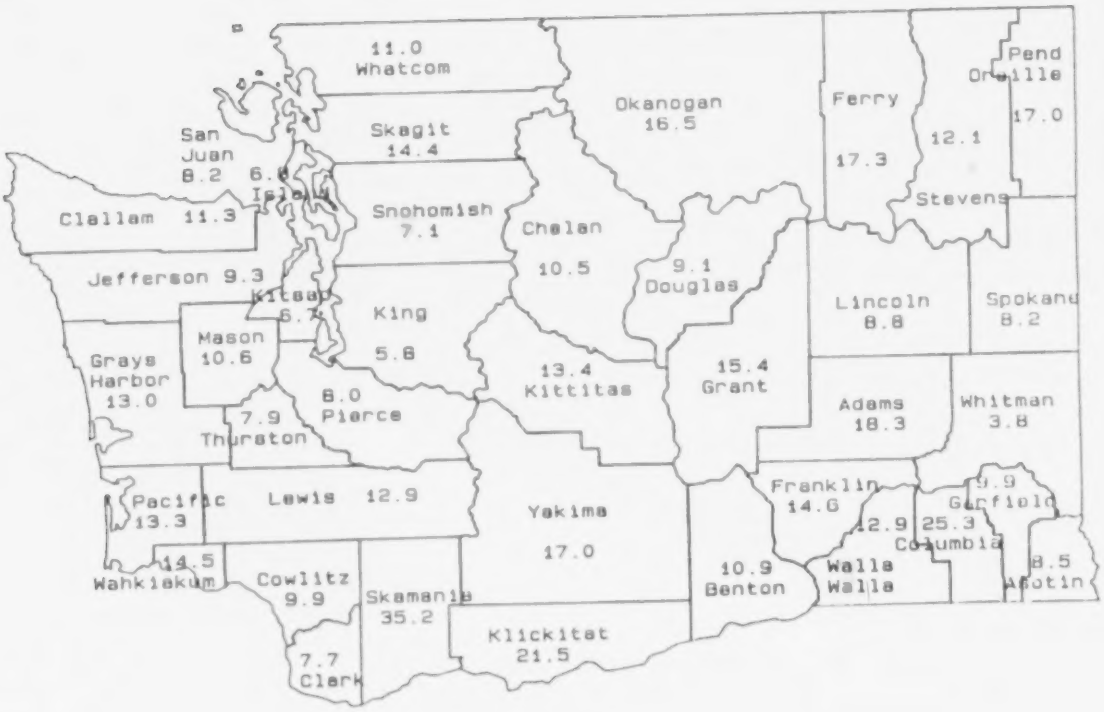
_2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

_3/ Workers excluded because of involvement in labor-management disputes.

JANUARY UNEMPLOYMENT RATES

State of Washington 8.3





Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE AND LABOR MARKET AREAS

DATE 3/2/88
Benchmark: 1987

(Not Seasonally Adjusted)

	JANUARY 1988 PRELIMINARY 1/				DECEMBER 1987 REVISED 1/				JANUARY 1987 REVISED			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,250,900	2,064,600	186,300	8.3	2,286,000	2,104,900	181,100	7.9	2,186,700	1,992,500	194,200	8.9
Bellingham MSA	56,200	50,000	6,200	11.0	59,100	53,500	5,600	9.5	55,100	49,500	5,600	10.2
Bremerton MSA	72,900	68,000	4,900	6.7	74,500	69,600	4,900	6.6	70,800	66,200	4,600	6.5
Olympia MSA	73,400	67,600	5,800	7.9	75,400	69,700	5,700	7.6	71,700	65,900	5,800	8.1
Seattle PMSA	1,017,300	955,400	61,900	6.1	1,030,500	968,200	62,300	6.0	978,000	914,200	63,800	6.5
King County 2/	806,400	759,400	47,000	5.8	816,800	769,500	47,300	5.8	774,700	726,600	48,100	6.2
Snohomish County 2/	210,900	196,000	14,900	7.1	213,600	198,600	15,000	7.0	203,300	187,600	15,700	7.7
Spokane MSA	165,000	151,400	13,600	8.2	168,500	155,600	12,900	7.7	164,000	149,000	15,000	9.1
Tacoma PMSA	240,700	221,500	19,200	8.0	245,500	225,800	19,700	8.0	230,400	209,600	20,800	9.0
Tri-Cities MSA	66,400	58,600	7,800	11.7	65,600	58,300	7,300	11.1	66,000	58,000	8,000	12.1
Benton County 2/	50,600	45,100	5,500	10.9	50,100	44,900	5,200	10.4	50,300	44,600	5,700	11.3
Franklin County 2/	15,800	13,500	2,300	14.6	15,500	13,400	2,100	13.5	15,800	13,400	2,400	15.2
Vancouver PMSA	110,900	102,400	8,500	7.7	110,600	102,300	8,300	7.5	106,400	96,900	9,500	8.9
Yakima MSA	84,300	70,000	14,300	17.0	86,400	73,500	12,900	14.9	82,400	68,900	13,500	16.4
Adams	6,270	5,120	1,150	18.3	6,260	5,300	960	15.3	6,270	5,270	1,000	15.9
Asotin	8,380	7,670	710	8.5	8,310	7,660	650	7.8	8,180	7,480	700	8.6
Clallam	22,700	20,130	2,570	11.3	22,710	20,290	2,420	10.7	22,030	19,450	2,580	11.7
Columbia	1,900	1,420	480	25.3	1,800	1,340	460	25.6	1,910	1,380	530	27.7
Cowlitz	34,710	31,280	3,430	9.9	35,230	31,760	3,470	9.8	33,720	29,990	3,730	11.1
Ferry	2,660	2,200	460	17.3	2,580	2,260	320	12.4	2,520	2,190	330	13.1
Garfield	1,010	910	100	9.9	1,020	920	100	9.8	1,100	950	150	13.6
Grant	22,590	19,110	3,480	15.4	22,970	19,760	3,210	14.0	22,540	18,800	3,740	16.6
Grays Harbor	25,150	21,870	3,280	13.0	25,590	22,120	3,470	13.6	26,080	22,680	3,400	13.0
Island	18,220	16,980	1,240	6.8	18,840	17,460	1,380	7.3	17,500	16,250	1,250	7.1
Jefferson	7,410	6,720	690	9.3	7,480	6,760	720	9.6	7,380	6,650	730	9.9
Kittitas	11,240	9,730	1,510	13.4	11,190	9,810	1,380	12.3	11,210	9,710	1,500	13.4
Klickitat	7,780	6,110	1,670	21.5	7,280	6,160	1,120	15.4	7,420	5,600	1,820	24.5
Lewis	23,730	20,660	3,070	12.9	24,440	21,450	2,990	12.2	23,970	20,820	3,150	13.1
Lincoln	3,860	3,520	340	8.8	4,020	3,680	340	8.5	4,160	3,750	410	9.9
Mason	11,840	10,590	1,250	10.6	12,990	11,780	1,210	9.3	12,050	10,650	1,400	11.6
Okanogan	14,580	12,170	2,410	16.5	14,440	12,350	2,090	14.5	14,360	11,970	2,390	16.6
Pacific	6,370	5,520	850	13.3	6,260	5,530	730	11.7	6,490	5,640	850	13.1
Pend Oreille	2,940	2,440	500	17.0	3,020	2,500	520	17.2	3,060	2,320	740	24.2
San Juan	4,730	4,340	390	8.2	4,820	4,470	350	7.3	4,260	3,840	420	9.9
Skagit	31,770	27,210	4,560	14.4	32,420	28,170	4,250	13.1	31,130	26,250	4,890	15.7
Skamania	2,360	1,530	830	35.2	2,250	1,690	560	24.9	2,400	1,640	760	31.7
Stevens	11,060	9,720	1,340	12.1	11,460	10,160	1,300	11.3	10,890	9,250	1,640	15.1
Wahkiakum	1,100	940	160	14.5	1,090	970	120	11.0	1,140	990	150	13.2
Walla Walla	23,150	20,170	2,980	12.9	23,340	20,750	2,590	11.1	23,280	19,930	3,350	14.4
Wenatchee Labor Area	38,080	34,250	3,830	10.1	39,480	35,470	4,010	10.2	38,480	33,430	5,050	13.1
Chelan County 2/	25,900	23,180	2,720	10.5	26,830	24,000	2,830	10.5	26,290	22,620	3,670	14.0
Douglas County 2/	12,180	11,070	1,110	9.1	12,650	11,470	1,180	9.3	12,190	10,810	1,380	11.3
Whitman	18,100	17,420	680	3.8	18,380	17,700	680	3.7	18,430	17,520	910	4.9

1/ Estimates provided here are for use as an economic time-series.

2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT
ESTIMATES FOR FEDERAL PROGRAM PURPOSES

March 2, 1988
Benchmark: 1987

Not Seasonally Adjusted

	JANUARY 1988 PRELIMINARY 1/				DECEMBER 1987 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,263,900	2,079,300	184,500	8.2	2,285,000	2,104,900	181,100	7.9
Bellingham MSA	56,500	50,300	6,200	11.0	59,100	53,500	5,600	9.5
Bremerton MSA	73,400	68,500	4,900	6.7	74,500	69,600	4,900	6.6
Olympia MSA	73,900	68,100	5,800	7.9	75,400	69,700	5,700	7.6
Seattle PMSA	1,027,500	962,200	65,300	6.4	1,030,500	968,200	62,300	6.0
King County 2/	811,300	764,800	46,500	5.7	816,900	769,500	47,300	5.8
Snohomish County 2/	212,200	197,400	14,800	7.0	217,600	196,600	15,000	7.0
Spokane MSA	166,000	152,500	13,500	8.1	168,500	155,600	12,900	7.7
Tacoma MSA	242,100	223,100	19,000	7.8	245,500	225,800	19,700	8.0
Tri-Cities MSA	66,700	59,000	7,700	11.5	65,600	58,300	7,300	11.1
Benton County 2/	50,900	45,400	5,500	10.8	50,100	44,900	5,200	10.4
Franklin County 2/	15,800	13,600	2,200	13.9	15,500	13,400	2,100	13.5
Vancouver PMSA	111,700	103,200	8,500	7.6	110,600	102,300	8,300	7.5
Yakima MSA	84,700	70,500	14,200	16.8	85,400	73,500	12,900	14.9
Adams	6,300	5,160	1,140	18.1	6,260	5,300	960	15.3
Asotin	8,430	7,730	700	8.3	8,310	7,660	650	7.8
Clallam	22,810	20,270	2,540	11.1	22,710	20,290	2,420	10.7
Columbia	1,900	1,430	470	24.7	1,800	1,340	460	25.6
Cowlitz	34,890	31,500	3,390	9.7	35,230	31,760	3,470	9.8
Ferry	2,560	2,110	450	16.9	2,580	2,260	320	12.4
Garfield	1,020	920	100	9.8	1,020	920	100	9.8
Grant	22,700	19,250	3,450	15.2	22,970	19,760	3,210	14.0
Grays Harbor	25,270	22,020	3,250	12.9	25,590	22,120	3,470	13.6
Island	18,370	17,100	1,270	6.9	18,840	17,460	1,380	7.3
Jefferson	7,460	6,770	690	9.2	7,480	6,760	720	9.6
Kittitas	11,300	9,800	1,500	13.3	11,190	9,810	1,380	12.3
Klickitat	7,810	6,160	1,650	21.1	7,280	6,160	1,120	15.4
Lewis	23,850	20,810	3,040	12.7	24,440	21,450	2,990	12.2
Lincoln	3,980	3,660	320	8.0	4,020	3,680	340	8.5
Mason	11,910	10,670	1,240	10.4	12,990	11,780	1,210	9.3
Okanogan	14,690	12,250	2,390	16.3	14,440	12,350	2,090	14.5
Pacific	6,400	5,560	840	13.1	6,260	5,530	730	11.7
Pend Oreille	2,940	2,450	490	16.7	3,020	2,500	520	17.2
San Juan	4,750	4,370	380	8.0	4,820	4,470	350	7.3
Skagit	31,920	27,400	4,520	14.2	32,420	28,170	4,250	13.1
Skamania	2,340	1,540	800	34.2	2,260	1,690	570	25.2
Stevens	11,110	9,790	1,320	11.9	11,460	10,160	1,300	11.3
Wahkiakum	1,110	950	160	14.4	1,090	970	120	11.0
Walla Walla	23,340	20,310	2,950	12.7	23,340	20,750	2,590	11.1
Wenatchee Labor Area	38,280	34,490	3,790	9.9	39,480	35,470	4,010	10.2
Chelan County 2/	26,930	23,740	3,190	11.8	26,830	24,000	2,830	10.5
Douglas County 2/	12,250	11,150	1,100	9.0	12,650	11,470	1,180	9.3
Whitman	18,210	17,540	670	3.7	18,790	17,700	680	3.6

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Enter Dates (mm/dd/yy) to Count:

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	Prelim Jan Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Jan-88	Dec-87	Jan-87	Jan-88	Dec-87	Jan-87	Jan-88	Dec-87	Jan-87
TOTAL MANUFACTURING INDUSTRIES*	190,263	$479.99	$466.43	$477.59	40.2	39.9	39.7	$11.94	$11.69	$12.03
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	34,167	$439.56	$406.99	$436.50	39.6	37.1	39.9	$11.10	$10.97	$10.99
Primary Metal Industries	9,023	$557.14	$575.76	$546.05	44.5	45.3	43.2	$12.52	$12.71	$12.64
Fabricated Metal Products	7,799	$412.55	$448.88	$440.77	37.0	39.9	38.8	$11.15	$11.25	$11.36
Machinery	17,233	$374.94	$382.99	$374.58	40.1	40.7	39.1	$9.35	$9.41	$9.56
Food and Kindred Products	21,506	$360.36	$353.93	$352.60	36.4	36.3	35.6	$9.90	$9.75	$9.91
Chemical and Allied Products	4,251	$624.31	$592.95	$572.60	41.4	40.2	40.9	$15.08	$14.75	$14.00
Transportation Equipment	48,535	$590.21	$572.29	$570.26	42.8	42.9	41.9	$13.79	$13.34	$13.61
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	55,935	$567.43	$565.20	$579.24	35.8	36.0	36.0	$15.85	$15.70	$16.09
Wholesale and Retail Trade (does not include eating and drinking establishments)	279,861	$309.37	$310.88	$308.79	32.6	33.5	32.3	$9.49	$9.28	$9.56

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor-management disputes

STATE OF WASHINGTON
EMPLOYMENT SECURITY DEPARTMENT

1986

NONAGRICULTURAL WAGE AND SALARY WORKERS IN WASHINGTON STATE, 1986
(in thousands) (Benchmarked: December 1986)

Industry	Annual Average _2/	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
TOTAL	1769.9	1707.8	1714.5	1733.5	1754.1	1772.4	1788.4	1770.6	1782.4	1806.0	1808.8	1800.0	1800.1
Manufacturing	305.1	297.1	298.0	299.9	303.2	305.4	305.3	304.7	310.5	312.4	310.9	308.0	305.2
Durable	212.9	208.9	209.6	211.1	213.0	213.9	213.3	211.5	214.4	215.1	215.5	215.2	213.8
Lumber	38.4	36.8	36.4	36.8	37.5	38.7	39.5	37.0 _1/	40.1	40.2	39.9	39.3 _1/	38.8
Furniture	3.9	3.8	3.8	3.8	3.9	3.9	3.9	3.9	3.8	3.9	3.9	3.9	3.8
Stone	6.2	5.8	5.8	6.0	6.2	6.3	6.5	6.6	6.6	6.6	6.4	6.1 _1/	6.0
Primary	11.6	12.2	12.0	12.1	12.3	12.3	11.0 _1/	11.3 _1/	11.2 _1/	11.2 _1/	11.5	11.3	11.3
Aluminum	7.6	8.1	8.0	8.1	8.1	8.1	6.9 _1/	7.2 _1/	7.1 _1/	7.1 _1/	7.5	7.5	7.4
Fabricated	10.0	9.7	9.6	9.6	9.7	9.9	9.9	10.3	10.4	10.4	10.3	10.0	9.7
Machinery	30.3	31.8	32.5	32.4	32.0	31.1	30.3	29.5	29.2	29.1	28.8	28.7	28.5
Non-electrical	17.6	19.5	20.2	19.9	19.5	18.6	17.8	16.6	16.2	16.0	15.8 _1/	15.7 _1/	15.5 _1/
Electrical	12.7	12.3	12.3	12.5	12.5	12.5	12.5	12.9	13.0	13.1	13.0	13.0	13.0
Transportation	97.5	93.8	94.5	95.3	96.4	96.8	97.2	97.9	98.3	98.9	99.8	100.8	100.6
Aerospace	85.0	80.7	81.7	82.5	83.3	83.9	84.5	85.8	86.5	87.0	87.4	88.1	88.0
Other	12.6	13.1	12.8	12.8	13.1	12.9	12.7	12.1	11.8	11.9	12.4	12.7	12.6 _1/
Instruments	10.4	10.5	10.5	10.5	10.5	10.4	10.5	10.5	10.4	10.3	10.3	10.4	10.3
Misc.	4.6	4.5	4.5	4.6	4.5	4.5	4.5	4.5	4.4	4.5	4.6	4.7	4.8
Nondurable	92.1	88.2	88.4	88.8	90.2	91.5	92.0	93.2	96.1	97.3	95.4	92.8	91.4
Food	31.1	28.2	28.5	28.7	30.0	30.8	30.6	31.3	34.3	35.4	33.8	31.6	29.9
Canned	11.3	9.2	9.6	9.8	11.0	11.3	11.1	11.0	13.6	14.8	13.2	11.0	9.5
Apparel	6.1	6.0	6.0	5.9	5.6	5.7	5.8	6.1	6.2	6.2	6.4	6.3	6.4
Paper	16.7	16.5	16.4	16.4	16.6	16.7	17.1	17.1	17.1	17.1	16.5	16.5	16.6
Printing	18.7	18.1	18.2	18.3	18.5	18.7	18.8	18.9	18.8 _1/	18.9	19.2	19.0	19.1
Chemicals	11.5	11.5	11.4	11.5	11.5	11.5	11.6	11.6	11.6	11.6	11.4	11.4	11.4
Other Nondurable	8.0	7.9	7.9	8.0	8.0	8.1	8.1	8.2	8.1	8.1	8.1	8.0	8.0
Nonmanufacturing	1464.8	1410.7	1416.5	1433.6	1450.9	1467.0	1483.1	1465.9	1471.9	1493.6	1497.9	1492.0	1494.9
Mining	2.9	2.6	2.6	2.8	3.0	3.0	3.0	3.0	3.1	3.1	3.0	2.9	2.8
Construction	84.5	73.9	74.3	78.1	81.4	84.8	87.5 _1/	89.0 _1/	92.1	92.3	91.1	85.9	83.1
Transp	96.2	94.2	93.4	94.0	94.5	95.0	96.2 _1/	97.5	98.3	99.5	98.0	96.9	97.2 _1/
Trade	436.5	418.4	416.3	421.4	427.0	433.3	441.3	440.9	445.7	448.2	445.0	447.4	452.8
Wholesale	107.3	102.7	103.9	104.7	105.3	105.8	108.1 _1/	107.7	109.1	111.3	110.8	109.9	108.3
Retail	329.2	315.7	312.4	316.7	321.7	327.5	333.2	333.2	336.6	336.9	334.2	337.5	344.5
Finance	104.9	101.5	102.0	102.7	103.9	105.1	106.1	106.6	106.7	106.5	106.1	105.9	106.1
Services	391.0	374.2	378.0	383.1	389.1	392.0	392.9	393.1	395.3	400.3	399.3	396.7	397.6
Health Services	121.9	118.4	118.8	119.8	120.4	120.7	121.8	122.8	123.1	123.9	123.9	124.3	125.3
Government	348.9	345.9	349.9	351.5	352.0	353.8	356.1	335.8	330.7	343.7	355.4	356.3	355.3
Federal	69.2	68.8	68.8	68.5	69.0	69.2	69.6	70.1	70.1	69.7	68.8	68.5	69.7
State & Local	279.6	277.1	281.1	283.0	283.0	284.6	286.5	265.7	260.6	274.0 _1/	286.6	287.8	285.6
Education	146.8	150.2	153.6	154.4	153.6	153.8	150.0	123.5	117.4	138.2 _1/	154.4	157.2	155.0
Workers in Labor/ management disputes	0.7	0.0	0.0	0.0	0.0	0.0	2.3	3.8	0.5	0.6	0.1	0.4	1.0

_1/ Workers excluded because of involvement in labor-management disputes.
_2/ Detail may not add due to rounding.

STATE OF WASHINGTON
EMPLOYMENT SECURITY DEPARTMENT

NONAGRICULTURAL WAGE AND SALARY WORKERS IN WASHINGTON STATE, 1987
(in thousands) (Benchmarked: March 1987)

Industry	Annual Average 2/	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
TOTAL	1839.3	1766.8	1773.3	1792.2	1815.1	1836.6	1864.3	1842.8	1854.0	1878.0	1885.6	1883.0	1880.4
Manufacturing	316.8	304.3	304.2	306.1	309.8	313.1	317.2	318.8	324.4	327.8	326.5	325.6	323.3
Durable	222.4	213.7	214.2	214.9	216.8	219.4	222.7	224.6	226.2	228.5	228.4	230.2	229.6
Lumber	40.0	38.0	38.3	38.1	38.9	40.1	40.9	41.4 1/	41.4	41.7	40.8	40.7	40.0
Furniture	3.7	3.6	3.6	3.7	3.6	3.6	3.7	3.7	3.8	3.8	3.8	3.9	3.8
Stone	6.5	5.7	5.8	6.0	6.3	6.5	6.7	6.9	6.9	6.9	6.7	6.6	6.4
Primary	11.2	11.4	11.1	10.8	10.8	10.7	10.8	11.1	11.2	11.6	11.6	11.6	11.7
Aluminum	7.4	7.6	7.3	7.0	7.1	6.9	7.0	7.3	7.4	7.8	7.8	7.9	7.9
Fabricated	10.4	9.6	9.6	9.7	9.8	10.1	10.4	10.6	10.9	11.1	11.0	10.8	10.6
Machinery	29.4	28.4	28.3	28.5	28.9	29.2	29.6	29.7	29.8	29.9	29.9	30.2	30.2
Non-electrical	16.3	15.4 1/	15.5 1/	15.6 1/	15.9	16.1	16.5	16.6	16.6	16.6	16.7	16.9	17.1
Electrical	13.1	13.0	12.8	12.9	13.0	13.1	13.1	13.1	13.2	13.3	13.2	13.3	13.1
Transportation	106.0	101.9	102.5	103.1	103.3	103.9	105.2	105.7	106.6	108.2	109.2	110.8	111.2
Aerospace	92.8	89.0	89.2	89.6	90.2	91.0	92.1	93.0	93.8	94.9	95.6	97.1	97.5
Other	13.2	12.9 1/	13.3 1/	13.5 1/	13.1 1/	12.9 1/	13.1	12.7 1/	12.8 1/	13.3	13.6	13.7	13.7
Instruments	10.7	10.6	10.5	10.5	10.6	10.7	10.7	10.9	10.9	10.6	10.6	10.7	10.8
Misc.	4.7	4.5	4.5	4.5	4.6	4.6	4.7	4.6	4.7	4.7	4.8	4.9	4.9
Nondurable	94.3	90.6	90.0	91.2	93.0	93.7	94.5	94.2	98.2	99.3	98.1	95.4	93.7
Food	31.9	29.1	28.4 1/	29.3	31.4	31.7	32.0	31.2	35.0	36.2	34.9	32.5	30.6
Canned	11.4	9.2	8.8	9.5	11.4	11.6	11.6	10.3	13.6	15.0	14.0	11.6	9.9
Apparel	5.9	5.9	5.8	5.8	5.6	5.7	5.7	5.9	6.0	6.1	6.1	6.0	6.1
Paper	16.5	16.4	16.3	16.4	16.3	16.4	16.6	16.8	16.7	16.6	16.5	16.4	16.5
Printing	20.1	19.6	19.6	19.7	19.7	19.9	20.1	20.1	20.2	20.3	20.5	20.6	20.7
Chemicals	11.5	11.4	11.6	11.6	11.7	11.6	11.6	11.6	11.6	11.4	11.3	11.2	11.2
Other Nondurable	8.5	8.2	8.3	8.4	8.3	8.4	8.5	8.6	8.7	8.7	8.8	8.7	8.6
Nonmanufacturing	1522.6	1462.5	1469.1	1486.1	1505.3	1523.5	1547.1	1524.0	1529.6	1550.2	1559.1	1557.4	1537.1
Mining	3.0	2.7	2.7	2.8	2.9	3.0	3.0	3.0	3.0	3.1	3.1	3.1	3.1
Construction	87.3	77.5	77.5	80.1	83.1	86.4	89.8	92.0 1/	94.9	95.1	94.2	90.5	86.7
Transp	98.4	94.5 1/	94.7 1/	95.0	95.6	97.6	99.5	100.3	101.1	101.3	100.4	99.9	100.4
Trade	453.1	432.6	431.0	435.6	441.9	449.7	459.9	460.5	462.8	465.2	462.7	465.3	469.5
Wholesale	110.5	104.6	105.5	106.9	108.3	109.3	112.5	111.9	113.4	114.9	114.8	113.0	110.6
Retail	342.6	328.0 1/	325.5 1/	328.7 1/	333.6	340.4	347.4	348.6	349.4	350.3	347.9	352.3	358.9
Finance	107.0	104.7	105.3	106.0	106.9	107.3	108.0	108.5	108.4	107.8	107.1	106.8	107.2
Services	418.3	397.8	401.8	407.5	412.8	416.4	420.3	420.8	423.9	429.0	430.4	429.2	429.5
Health Services	129.4	125.6	125.6	126.8	127.1	127.8	129.7	130.6	130.8	131.3	132.2	132.3	133.2
Government	355.6	352.7	356.1	359.1	362.1	363.1	366.6	338.9	335.5	348.7	361.2	362.6	360.7
Federal	70.5	68.3	68.1	69.3	70.8	71.1	71.7	72.2	72.1	71.8	70.5	70.2	70.1
State & Local	285.1	284.4	288.0	289.8	291.3	292.0	294.9	266.7	263.4	276.9	290.7	292.4	290.6
Education	148.7	154.6	157.6	158.7	156.4	156.2	153.9	122.8	118.3	136.7 1/	154.7	157.5	156.4
Workers in Labor/ management disputes	0.6	1.4	1.5	1.2	0.8	0.8	0.4	0.1	0.1	1.3	0.0	0.0	0.0

1/ Workers excluded because of involvement in labor-management disputes.
2/ Detail may not add due to rounding.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch
March 7, 1988

RESIDENT CIVILIAN LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE
(BENCHMARK: MARCH 1987) 1/

	ANNUAL AVERAGE	January	February	March	April	May	June	July	August	September	October	November	December
1987 2/													
Civilian Labor Force	2,254,000	2,186,700	2,185,700	2,201,400	2,219,300	2,247,500	2,305,100	2,270,300	2,270,300	2,285,500	2,307,300	2,283,000	2,286,000
Total Employment	2,083,000	1,992,500	1,993,600	2,015,100	2,046,700	2,082,300	2,139,300	2,108,700	2,117,500	2,132,200	2,148,300	2,114,900	2,104,900
Total Unemployment	171,000	194,200	192,100	186,300	172,600	165,200	165,800	161,600	152,800	153,300	159,000	168,100	181,100
Percent of Labor Force	7.6	8.9	8.8	8.5	7.8	7.4	7.2	7.1	6.7	6.7	6.9	7.4	7.9
1986 2/													
Civilian Labor Force	2,198,000	2,109,000	2,112,900	2,138,300	2,162,300	2,199,400	2,252,000	2,245,000	2,235,000	2,235,700	2,246,000	2,221,800	2,218,700
Total Employment	2,018,000	1,910,900	1,919,700	1,948,900	1,981,900	2,026,500	2,076,700	2,064,100	2,064,400	2,073,200	2,078,000	2,040,100	2,031,600
Total Unemployment	180,000	198,100	193,200	189,400	180,400	172,900	175,300	180,900	170,600	162,500	168,000	181,700	187,100
Percent of Labor Force	8.2	9.4	9.1	8.9	8.3	7.9	7.8	8.1	7.6	7.3	7.5	8.2	8.4
1985 2/													
Civilian Labor Force	2,091,000	2,030,600	2,027,000	2,046,100	2,076,400	2,105,500	2,128,100	2,104,800	2,107,100	2,119,000	2,124,500	2,107,700	2,115,500
Total Employment	1,921,000	1,822,400	1,827,300	1,864,900	1,905,100	1,944,500	1,968,200	1,942,700	1,958,000	1,973,500	1,970,700	1,940,500	1,934,300
Total Unemployment	170,000	208,200	199,700	181,200	171,300	161,000	159,900	162,100	149,100	145,500	153,800	167,200	181,200
Percent of Labor Force	8.1	10.3	9.9	8.9	8.2	7.6	7.5	7.7	7.1	6.9	7.2	7.9	8.6
1984 2/													
Civilian Labor Force	2,051,000	2,025,700	2,024,500	2,030,600	2,044,700	2,061,300	2,091,100	2,060,400	2,053,200	2,057,800	2,075,200	2,045,800	2,041,800
Total Employment	1,857,000	1,790,200	1,804,400	1,824,900	1,844,700	1,870,300	1,902,400	1,871,400	1,873,100	1,889,900	1,900,000	1,862,600	1,850,200
Total Unemployment	194,000	235,500	220,100	205,700	200,000	191,000	188,700	189,000	180,100	167,900	175,200	183,200	191,600
Percent of Labor Force	9.5	11.6	10.9	10.1	9.8	9.3	9.0	9.2	8.8	8.2	8.4	9.0	9.4
1983 2/													
Civilian Labor Force	2,069,000	2,010,800	2,017,200	2,050,600	2,064,800	2,080,100	2,128,300	2,084,200	2,086,300	2,092,400	2,092,000	2,065,300	2,056,100
Total Employment	1,838,000	1,731,200	1,744,600	1,783,100	1,820,300	1,847,100	1,904,100	1,862,500	1,870,100	1,899,600	1,895,500	1,855,900	1,842,000
Total Unemployment	231,000	279,600	272,600	267,500	244,500	233,000	224,200	221,700	216,200	192,800	196,500	209,400	214,100
Percent of Labor Force	11.2	13.9	13.5	13.0	11.8	11.2	10.5	10.6	10.4	9.2	9.4	10.1	10.4
1982 2/													
Civilian Labor Force	2,024,000	1,971,600	1,983,200	2,006,400	2,022,500	2,039,500	2,070,300	2,039,800	2,030,700	2,041,900	2,037,800	2,019,900	2,024,500
Total Employment	1,779,000	1,724,600	1,734,000	1,762,800	1,781,800	1,795,500	1,826,900	1,795,800	1,790,400	1,811,400	1,797,400	1,766,100	1,761,400
Total Unemployment	245,000	247,000	249,200	243,600	240,700	244,000	243,400	244,000	240,300	230,500	240,400	253,800	263,100
Percent of Labor Force	12.1	12.5	12.6	12.1	11.9	12.0	11.8	12.0	11.8	11.3	11.8	12.6	13.0
1981 2/													
Civilian Labor Force	1,996,000	1,965,900	1,972,600	1,984,900	1,992,200	1,998,600	2,037,300	2,004,800	1,996,600	2,009,600	2,011,100	1,983,400	1,994,800
Total Employment	1,806,000	1,777,300	1,780,800	1,797,900	1,810,400	1,822,200	1,851,900	1,818,500	1,813,100	1,834,100	1,822,700	1,777,700	1,765,400
Total Unemployment	190,000	188,600	191,800	187,000	181,800	176,400	185,400	186,300	183,500	175,500	188,400	205,700	229,400
Percent of Labor Force	9.5	9.6	9.7	9.4	9.1	8.8	9.1	9.3	9.2	8.7	9.4	10.4	11.5
1980 2/													
Civilian Labor Force	1,984,000	1,929,400	1,940,100	1,964,800	1,980,300	1,999,400	2,032,600	1,995,400	1,982,100	2,002,800	2,003,600	1,983,800	1,993,800
Total Employment	1,828,000	1,763,100	1,789,600	1,818,800	1,830,200	1,851,400	1,869,900	1,834,800	1,833,300	1,855,200	1,849,900	1,821,600	1,818,200
Total Unemployment	156,000	166,300	150,500	146,000	150,100	148,000	162,700	160,600	148,800	147,600	153,700	162,200	175,600
Percent of Labor Force	7.9	8.6	7.8	7.4	7.6	7.4	8.0	8.0	7.5	7.4	7.7	8.2	8.8

1/ Prepared in cooperation with the Bureau of Labor Statistics and the Employment and Training Administration.
2/ Average annual data are from the Current Population Survey.

Employment Security Department
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Olympia WA 98504-5311

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4/20/88 S8340-3 A

Washington LABOR MARKET

March 1988

Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
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In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

***Distressed Areas--Pages 11 - 14 ***

Highlights

Seasonal Expansion Begins

Employment began its seasonal expansion in February as winter began to loosen its grip, and unemployment declined for the first time since last summer. Unemployment in Washington State fell from 188,500 and 8.4 percent of the labor force in January (revised) to 178,000 and 7.9 percent in February. The reduction in unemployment was greater than usual for February and the seasonally adjusted rate fell from 7.3 to 7.0 percent--the lowest level in eight years.

Economic Expansion Continues

Total employment rose 21,200 in February. Even after seasonal adjustment, the job total was up a strong 15,200. Exceptionally mild and dry February weather was a factor in the gain, but overall strength in the state's basic industries was even more important. Over the year, total employment in the state was up 95,800 in February with growth in nearly all

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	Feb. 1988* (Prel.)	Jan. 1988 (Rev.)	Feb. 1987
Civilian Labor Force	2,267,400	2,256,700	2,185,700
Total Employment	2,089,400	2,068,200	1,993,600
Total Unemployment	178,000	188,500	192,100
State Unemployment Rate	7.9	8.4	8.8
National Civilian Unemployment Rate	6.2	6.3	7.2

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

of the state's major industries. Even if the rate of job expansion slows later this year as is likely because of less growth in aerospace, the drought, and the effect of lower housing starts on the lumber industry, the economy's momentum will ensure 1988 will be a banner year for employment growth.

JANUARY INDUSTRY DEVELOPMENTS

Farmers Begin New Year

Agriculture accounted for much of the job growth in February with farmers busy pruning fruit trees, repairing machinery and doing the numerous tasks necessary prior to this year's harvests. Asparagus will be the first of the major harvests and should begin in April and employ several thousand workers through May.

Education Payrolls Rebound

Nonfarm industries also felt the approach of spring, and nonagricutural wage and salary employment rose 8,200 in February. Government added 5,400 to post the largest increase. The major expansion in public payrolls occurred in education which rebounded 3,600 following the usual cutbacks in December and January. Employment in education fell during the holiday vacation period when several hundred student employees at colleges and support staff throughout the educational system were laid off until the beginning of a new term.

Private education also expanded in February and helped boost payrolls in services 5,200. Other service activities expanding included agricultural services, income-tax preparation services, ski resorts, and firms providing temporary workers to other businesses. Health services added 400 in February to continue its long-term expansion. Most of the increase was at hospitals with several actively advertising for registered nurses and other skilled personnel.

Retail Payrolls Down
But Spring Expansion Begins

The expansion in government and services in February was partially offset by a seasonal cutback in retail trade which fell 4,300 because of the completion of January sales and inventory work at department and apparel stores. Signs of seasonal growth, however, were noted in several other retail industries. Hardware stores and lumber yards added staff with interest picking up in yard work and remodeling jobs. Restaurants and gasoline service stations enjoyed additional business with the public traveling more because of improving weather. Department and apparel store employment will pick up in April with spring clothing promotions.

Counter to the drop on the retail level, wholesale trade rose 700 in February. Machinery and equipment wholesalers added staff, a reflection of strength in basic industries, while dealers in sportswear, nursery, garden and farm supplies expanded with orders coming in for spring items. Employment at fruit and vegetable warehouses, declined further. The beginning of the asparagus harvest, however, will reverse this trend in April.

Roadbuilding Starts Up

Construction began its annual expansion in February thanks to unseasonally mild weather. Nearly all of the growth was in street, highway, and bridge construction, which is especially dependent on weather conditions. Homebuilding declined further. Hopefully, recent declines in mortgage rates will enable homebuilding to expand normally this spring and summer. Nationally, housing starts rebounded 8.9 percent in February on a seasonally adjusted basis following losses of 1.9 percent in January and 15.8 percent in December. Building permits also bounced back in February with a gain of 11.5 percent following a drop of 7.6 percent in January.

Real Estate and Insurance Up, Banking Down

Elsewhere in the nonmanufacturing industries, finance, insurance, and real estate added 200 with growth in both real estate and insurance. Commercial banking payrolls, however, continued to decline with banks attempting to improve profits in the face of strong competition from other financial institutions.

Manufacturing Up Slightly As Aerospace Growth Slows

Manufacturing employment began to edge up in February with seasonal influences turning positive. Canneries, freezing plants and juice manufacturers added 300 to post the largest gain. Numerous industries saw their winter declines end and reported employment gains of 100. The increase of 100 in aerospace, however, marked a slowdown in the industry's growth rate. Monthly increases in aerospace employment between 1984 and 1987 averaged 500. Boeing announced at the beginning of the year that it expected the size of its workforce to remain relatively stable this year.

YEAR-TO-YEAR DEVELOPMENTS

Job Growth Strong

The year-to-year comparison of employment data indicates the state's economy is still expanding at a brisk pace. A slowdown in the growth rate may well occur this year, but the latest data show vigorous growth continuing. In February, nonfarm wage and salary employment in the state was up 83,800 over the year for a gain of 4.7 percent. Employment has also been expanding at a rapid clip nationally, but over the same 12-month period the gain in nonfarm payrolls in the nation was 3.1 percent, or well below the expansion rate in this state. The major reason for the exceptional growth in Washington, of course, has been the major job gains in the state's aerospace industry. Without the large gains in aerospace employment, the state's growth rate can be expected to fall more in line with that of the nation's.

Over One-Third Of New Jobs In Services

As in the nation, the largest job expansions were in the services industries. In Washington State services employment rose 30,300 year to year to account for 36 percent of the new nonfarm jobs. All major service industries posted sizable gains over the year including hotels, motels, automobile repair, amusements, private education social services (day care, care of the elderly), and membership organizations (fraternal, charitable, youth, etc.). The largest gains, however, were in business services and medical

services. Business services alone rose 10,000 in response to rapid growth in commercial activity. Expansions at firms providing temporary employees to other business accounted for 38 percent of the new jobs in business services. Another 19 percent of the new business services jobs occurred at firms providing computer and data processing services. Medical services added 7,800 jobs over the year to account for one-fourth of the new service jobs. The substantial growth rate in medical services will undoubtedly continue for several years. Individuals age 65 and over are one of the fastest growing segments of the population.

Retail Trade Jobs Growing

An increasing population and growth in basic industry jobs enabled employment in retail trade to advance 13,900 over the year. Nearly all segments of the industry expanded except furniture stores, where the job total slipped slightly. The largest gains occurred at department stores, food stores, and restaurants.

Young Workers Needed

Judging by help wanted signs, the expansion could have been even larger provided there were a larger supply of entry level workers, particularly youth. The number of youth aged 16-24 has declined since 1980, and while their population will rebound after 1995, there will still be fewer in the year 2000 than there were in 1980. The decline in the youth population will create problems for some of the fastest growing industries such as fast food restaurants which have a high proportion of young employees.

Employment also increased in other nonmanufacturing industries over the year, although at a more moderate pace than trade and services. Government civilian payrolls (up 6,700) rose in line with population growth. Construction payrolls moved up 5,500 with the largest increase in the nonresidential sector. Heavy construction, including streets and highways, was down slightly. Transportation-communications-utilities employed 4,300 more workers: growing business activity boosted trucking and warehousing; fare discounting helped air transportation to expand; communications, however, was slightly lower as telephone companies cut staffing to improve profits which are under pressure because of deregulation.

Employment Lower in Banking

Wholesale trade payrolls advanced 3,800 year to year to support a more vigorous retail sector. Finance-insurance-real estate employment (up 1,200) posted a gain of less than one percent. All of the increase was in insurance and real estate. Employment at banks, savings and loans and other credit agencies declined. At one time this was one of the fastest growing industries because of rapid growth in branch banking. Eroding profits, however, have resulted in mergers and other cost-cutting measures recently which has eliminated some branches and pared administrative staffs.

Manufacturing on Fast Track

Manufacturing employment has enjoyed a resurgence over the past year in both the state and nation largely due to the decline in the value of the dollar relative to foreign currencies which has made American goods more competitive both here and abroad. In Washington State manufacturing employment actually rose relatively more over the past year than payrolls in the nonmanufacturing industries, 5.8 percent versus 4.5 percent.

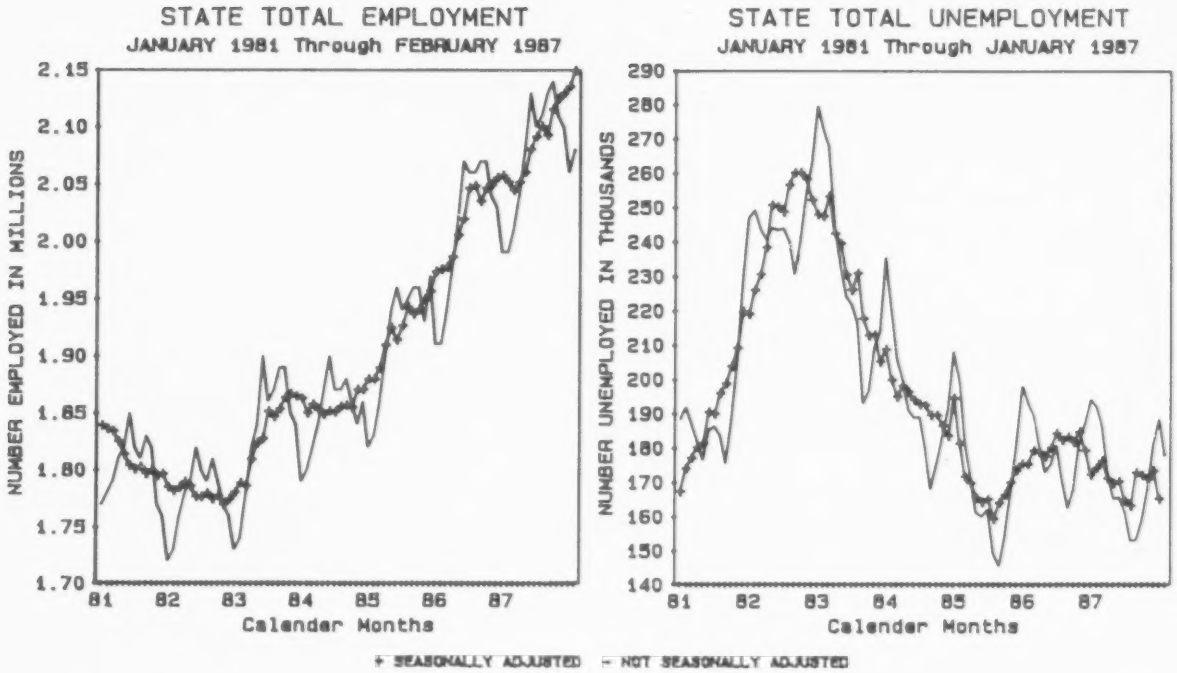
Aerospace rose 8,900 year to year, but other basic industries were also expanding and added 8,800 additional manufacturing jobs. Machinery, up 2,100, was credited with the largest increase among these industries. The demand from manufacturing industries for equipment to upgrade and expand their facilities to meet export demand has increased orders for machine tools substantially in recent months. In addition, recovery in the computer industry has increased demand for components manufactured by several machinery firms in the state.

Ugly Duckling

The food and kindred products industry added 1,400 employees over the year. About 400 of the increase occurred because of the temporary closure of one large plant in February 1987, but the openings of several new surimi processing plants in the state in the last several months was the major factor. Surimi plants produce imitation crab and shrimp meat from bottom fish.

Lumber and wood products was up 1,000 over the year in February. The margin of growth has narrowed in the last three months, and a number of mills have complained of the high price of logs because of log exports. According to the Western Wood Products Association, year to date lumber production though the week ended March 12, 1988 in western Washington and Oregon was down nearly 16 percent from the comparable period in 1987.

Other manufacturing industries reporting sizable job gains over the year were aluminum (up 800) and printing-publishing (up 1,200). The only loss occurred in chemicals (down 600) where employment declined because of cutbacks in the Hanford area.



AREA TRENDS

Unemployment declined slightly more in Eastern Washington than on the west side between January and February because of the seasonal expansion in agriculture, which is relatively more important east of the Cascades. In Western Washington the jobless rate fell one-half point to 6.9 percent in February, while Eastern Washington's overall rate fell seven-tenths of a point to 11.2.

While the overall trend was down in Eastern Washington, changes varied considerably because of relative weather conditions and types of farm activity. In the colder northern counties, changes in unemployment were relatively small. Okanogan County's rate edged up from 16.4 to 16.5 percent, while the Wenatchee area's rate

slipped from 12.2 to 11.9 percent. By contrast, the rate in Yakima County dropped from 17.1 to 15.7 percent; Walla Walla saw its rate fall from 12.9 to 11.9 percent, and the jobless rate in the Tri-Cities area declined from 11.8 to 10.3 percent.

Changes in unemployment rates in the state's major metropolitan areas were relatively moderate because they are less influenced by variations in agricultural employment. The rate in the Seattle Metropolitan Area slipped from 6.1 to 5.8 percent; Tacoma's rate moved down from 8.0 to 7.6 percent, and the rate in Spokane fell from 8.3 to 8.0 percent.

INDUSTRY NOTES

Water Rationing Likely For Yakima Valley Farms

Reservoirs which supply Yakima Valley farmers with water were filled to only 20 percent of capacity in early March because of the drought compared to a normal 70 percent at that time of the year. Rationing is expected unless the valley receives 150 percent of normal rainfall between March and late summer. Water shortages would reduce crop yields and could even threaten the survival of fruit trees.

Because this is the second year of below normal precipitation, ground water is exceptionally low. Last year, a water shortage in the Tacoma area forced a pulp mill to curtail operations for a short time. Logging was shut down throughout the state at times because of fire hazard conditions in forests, and some mills reduced operations because of a shortage of logs. Water use restrictions were imposed in both Seattle and Tacoma.

BPA May Increase Rates

Seattle and Tacoma water reservoirs are now nearly full because of above normal rainfall in late March, but reservoirs serving the Yakima Valley are still low. Because of inadequate water storage behind the dams on the Columbia River, the Bonneville Power Administration may be forced to purchase electricity from Canada and fire up a coal plant in Oregon. Both of which are more expensive than using its own hydropower and would require a rate increase.

Exports Boost Port Business

Growth in U.S. exports has boosted activity at Puget Sound ports. Container exports rose 32 percent at the Port of Seattle and 18 percent at the Port of Tacoma between 1986 and 1987. In addition, export air freight was up 40 percent at the Seattle-Tacoma International Airport.

The substantial increase in exports was attributed to a decline in the value of the dollar, the establishment of factories in the U.S. by foreign interests, and the availability of shipping containers, most of which were returning to Asia empty.

In March, Honda became the first Japanese automaker to export its own U.S. built cars to Japan. The automobiles were loaded at the Port of Portland. Honda expects to export 5,000 U.S. built cars to Japan in the next year and 50,000 to Japan and 20,000 to other nations annually by 1991. The Port of Tacoma is now negotiating with Japanese automakers who produce cars in the U.S. to handle their exports.

Boeing Still Flying High

In early March Boeing received an order for 50 jetliners worth $1.5 billion and options for 30 additional planes which, if exercised, could push the total order to $2.4 billion. The order from U.S. Air Group calls for deliveries on the first 50 planes to begin in one year and continue through 1991. In late March, Boeing received an order from Lufthansa Airlines for 20 jetliners worth about $535 million and options for 20 additional planes.

Surimi Factory For Olympia

Calista Sea Foods Inc. opened a 72,000 square foot surimi factory in Olympia in March. Surimi is produced from pollack that has been caught, chopped and frozen aboard ships off the Alaskan coast. The surimi can be formed and flavored to imitate many products, but the most popular are crab and shrimp meat. Washington State now has nine surimi plants. The Olympia factory employs 42 workers a shift, and the firm expects to operate around the clock by late spring. Calista Sea Foods is owned by an Alaskan native corporation.

$50 Million Plant For Hanford

The U.S. Energy Department announced in March plans to contract a $50 million plant to build generators for the Strategic Defense Initiative (Star Wars) on the Hanford Nuclear Reservation. The facility will have an annual budget of $10 million and will employ approximately 30 workers. The plant was considered a first step by the Energy Department in providing alternative employment in the Tri-Cities area following their decision to close the N Reactor.

NATIONAL INDICATORS

Economic indicators in February were mixed but favorable on balance. The Index of Leading Economic Indicators increased strongly in February; consumer spending rose; factory orders declined from January but were above their year-earlier level; hiring expectations were down for 1988 but still substantial; purchasing agents, however, noted a slowdown in new order growth.

Purchasing Agents See Growth Slowing

The National Association of Purchasing Management reported that their monthly survey indicated growth in new orders slowed substantially from January, but that growth in the economy is still healthy. In February, 31 percent of the purchasing agents surveyed reported orders at their firms increased, while 18 percent said their new-order rate was down. The association said that much of the growth in new orders is from export demand, but orders from abroad also slipped in February. Approximately 33 percent of the exporting companies covered by the survey reported new export orders rose in February, down from 39 percent in January.

Hiring Expectations Down But Still Strong

A survey by Dunn and Bradstreet Corporation found that U.S. businesses expect to hire 20 percent fewer workers in 1988 than in 1987. Hiring in 1987, however, was exceptionally strong with three million new jobs created. The survey of 5,000 companies indicated that 30 percent expected to expand their payrolls in 1988, while seven percent expected cutbacks.

Hiring in manufacturing in 1988 is expected to increase from 1987 despite the overall trend. According to the survey over 610,000 new manufacturing jobs will be created in the nation in 1988, three times the increase in 1987 and the largest number of new manufacturing jobs since 1979. Growing exports were the reason for the rising expectations of manufacturers.

Factory Orders Down But Up From Year Ago

Factory orders fell 0.8 percent between January and February but were still up 8.3 percent over the year, according to the U.S. Department of Commerce. Analysts attributed the drop in February to efforts to trim inventories following a build-up in the fourth quarter. Nonetheless, many economists remain optimistic in their outlook for manufacturing because of strong export demand and a high level of unfilled orders.

Consumer Confidence And Spending Up

A survey by the Conference Board, a business supported research organization, of 5,000 households found that plans to purchase cars, houses, and major appliances are now even stronger than they were before the stock market sell off on October 19. A spokesman for the board attributed part of the resurgence in consumer confidence to lower withholding tax rates this year.

Consumers not only had the willingness to buy in February but also the means. Disposable personal income increased 1.1 percent from January, in part due to lower income tax withholding. As a result, consumer spending rose a healthy 0.7 percent in February. The increase marks a turnaround from the fourth quarter when consumer spending declined and prompted numerous pessimistic forecasts for the economy in 1988.

Leading Indicators Move Up

The Index of Leading Economic Indicators, the government's main forecasting gauge, rose 0.9 percent in February, following a drop of 1.1 percent (revised) in January. Trends in the index in recent months indicate a recession is not likely to occur soon but strong growth in the economy is not likely either. The major reasons for the decline in the index in January were an increase in initial claims for unemployment compensation and a drop in credit outstanding. A major factor in the increase in the index in February, however, was a decline in initial unemployment claims as well as a strong increase in building permits which have been weak in recent months. Data on credit were not available in computing the preliminary February index.

Besides unemployment claims and building permits, other leading indicators contributing to the increase in the index in February were orders for consumer goods, stock market prices, and the money supply. Leading indicators pointing downward were the average workweek in manufacturing, orders for plant and equipment, sensitive material prices, and the business delivery index.

Distressed Areas

A number of state programs are available to assist areas with high unemployment. Eligible areas are termed distressed. A county is classified as distressed if it had an average unemployment rate in the last three complete calendar years that was at least 20 percent

above the statewide average. For the current year, the county classifications are based on unemployment data from January 1985 through December 1987. A county needed an average unemployment rate of at least 9.6 percent to qualify as distressed. The statewide average unemployment rate was 8.0 percent for the three year period. Douglas County was added to the list this year while Benton County was dropped.

Under legislation enacted this year a metropolitan area may qualify if its average unemployment rate in the last complete calendar year exceeded the statewide rate by 20 percent. Since the statewide average in 1987 was 7.6 percent, the qualifying rate was 9.1 percent. The Tri-Cities (Benton and Franklin counties) and Yakima metropolitan areas qualified under this legislation.

Distressed areas qualify for a variety of benefits, such as loans and grants to attract or retain businesses, financing infrastructure improvements, and matching funds to stimulate private investments. Firms building manufacturing plants in distressed areas are eligible for sales and use tax deferrals, and employers in these areas are eligible for special benefits for hiring unemployment insurance and public assistance recipients.

Areas classified as distressed are identified in the tables on pages 13 and 14 .

CONSUMER PRICE INDEX
(All Items, Urban Consumers, 1982-1984=100)**

	INDEXES			PERCENT CHANGE Year Ending	
	Feb. 1988	Jan. 1988	Feb. 1987	Feb. 1988	Jan. 1988
U.S. City Average	116.0	115.7	111.6	3.9	4.0
	July-Dec. 1987	July-Dec. 1986		July-Dec. '86 to July-Dec. '87	
Seattle*	110.3	106.7		3.4	

* The index for Seattle reflects prices in King, Pierce and Snohomish counties.

** The base period for the index has been changed from 1967=100 to 1982-1984=100. The conversion factors for the All Items, Urban Consumers Indexes on the 1967=100 base are U.S=0.3338279, Seattle=0.3280421.

Source: U.S. Department of Labor, Bureau of Labor Statistics

THREE YEAR AVERAGE UNEMPLOYMENT
RATES USED TO DETERMINE DISTRESSED AREAS 1/

	Three Year Average Unemployment Rate (Jan. 85 - Dec. 87)	Distressed Areas: Unemployment Rate Greater Than or Equal to 9.6 Percent
WASHINGTON STATE	8.0	
Adams	11.6	Adams
Asotin	8.6	
Benton	9.4	
Chelan	11.9	Chelan
Clallam	9.8	Clallam
Clark	8.3	
Columbia	16.6	Columbia
Cowlitz	11.1	Cowlitz
Douglas	9.6	Douglas
Ferry	13.0	Ferry
Franklin	11.3	Franklin
Garfield	8.7	
Grant	11.6	Grant
Grays Harbor	12.3	Grays Harbor
Island	6.5	
Jefferson	8.3	
King	6.1	
Kitsap	6.1	
Kittitas	10.6	Kittitas
Klickitat	16.3	Klickitat
Lewis	12.0	Lewis
Lincoln	6.6	
Mason	8.9	
Okanogan	14.7	Okanogan
Pacific	12.8	Pacific
Pend Oreille	17.1	Pend Oreille
Pierce	8.1	
San Juan	6.2	
Skagit	11.8	Skagit
Skamania	20.4	Skamania
Snohomish	7.3	
Spokane	7.9	
Stevens	13.1	Stevens
Thurston	7.7	
Wahkiakum	12.3	Wahkiakum
Walla Walla	9.1	
Whatcom	8.8	
Whitman	3.7	
Yakima	12.7	Yakima

1/ Data for 1986 and 1987 were revised in March 1988 incorporating updated information on exempt corporate officers and industry employment.

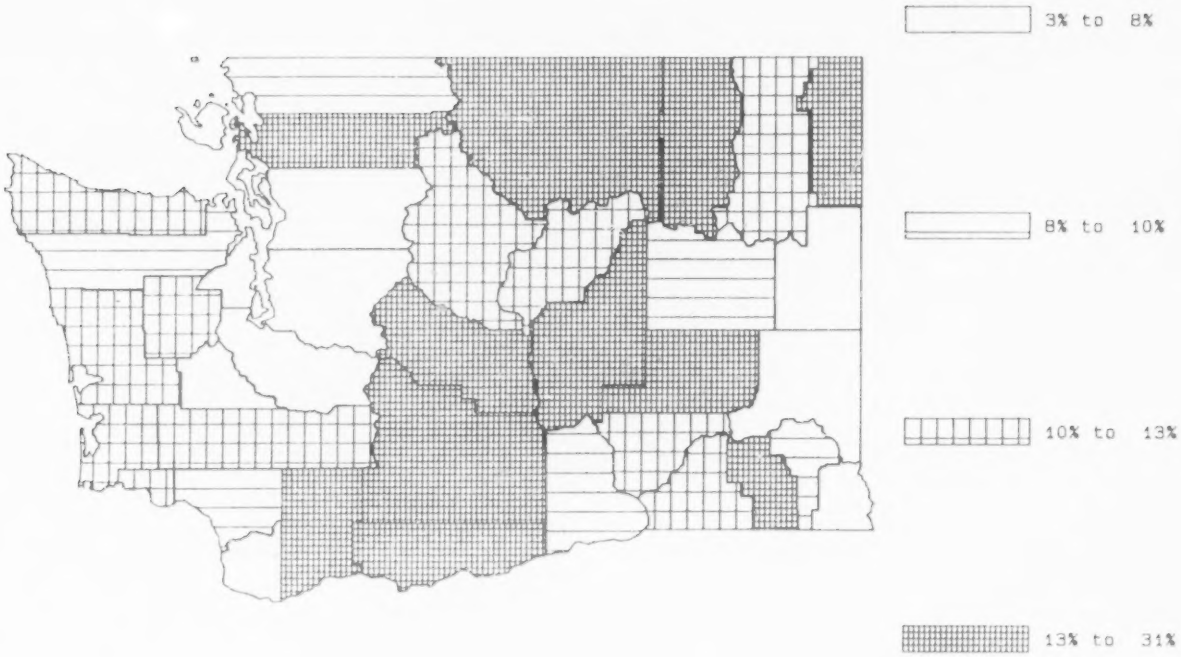
1987 ANNUAL AVERAGE UNEMPLOYMENT RATES
FOR METROPOLITAN STATISTICAL AREAS
USED TO DETERMINE DISTRESSED AREAS 1/

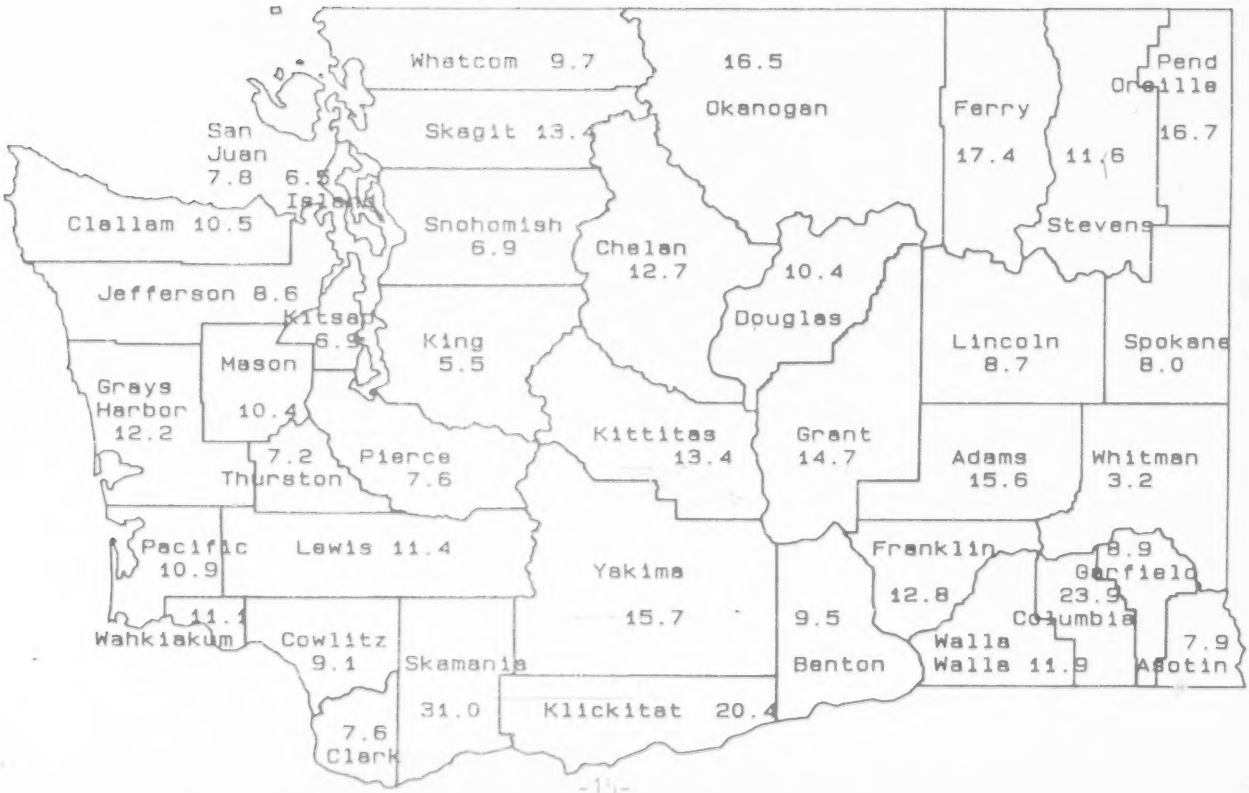
	1987 Annual Average Unemployment Rate (Jan. 87 - Dec. 87)	Unemployment Rate Greater Than or Equal to 9.1 Percent
WASHINGTON STATE	7.6	
Bellingham MSA	8.2	
Bremerton MSA	6.1	
Olympia MSA	7.3	
Seattle PMSA	6.1	
Spokane MSA	7.5	
Tacoma PMSA	8.1	
Tri-Cities MSA	9.6	Tri-Cities MSA
Vancouver PMSA	7.8	
Yakima MSA	11.6	Yakima MSA

1/ Data for 1987 was revised in March 1988 incorporating updated information on exempt corporate officers and industry employment.

FEBRUARY UNEMPLOYMENT RATES

State of Washington 7.9





Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT
IN WASHINGTON STATE AND LABOR MARKET AREAS

DATE 3/28/88
Benchmark: 1987

(Not Seasonally Adjusted)

	FEBRUARY 1988 PRELIMINARY 1/				JANUARY 1988 REVISED 1/				FEBRUARY 1987 REVISED			
	Labor Force	Employment	Unemploy-ment	Unemp. Rate	Labor Force	Employment	Unemploy-ment	Unemp. Rate	Labor Force	Employment	Unemploy-ment	Unemp. Rate
Washington State total	2,267,400	2,089,400	178,000	7.9	2,256,700	2,068,200	188,500	8.4	2,185,700	1,993,600	192,100	8.8
Bellingham MSA	58,900	53,200	5,700	9.7	59,000	52,700	6,300	10.7	55,100	49,700	5,400	9.8
Bremerton MSA	72,500	67,500	5,000	6.9	72,800	67,800	5,000	6.9	70,200	65,700	4,500	6.4
Olympia MSA	76,100	70,600	5,500	7.2	75,000	69,100	5,900	7.9	71,600	65,900	5,700	8.0
Seattle PMSA	1,021,100	961,800	59,300	5.8	1,015,200	952,900	62,300	6.1	976,400	912,900	63,500	6.5
King County 2/	809,300	764,500	44,800	5.5	804,200	757,400	46,800	5.8	774,100	725,600	48,500	6.3
Snohomish County 2/	211,900	197,300	14,600	6.9	210,900	195,500	15,400	7.3	202,300	187,300	15,000	7.4
Spokane MSA	166,800	153,500	13,300	8.0	165,500	151,800	13,700	8.3	163,700	148,700	15,000	9.2
Tacoma PMSA	242,700	224,300	18,400	7.6	241,200	221,800	19,400	8.0	230,600	210,000	20,600	8.9
Tri-Cities MSA	66,000	59,200	6,800	10.3	65,900	58,100	7,800	11.8	67,500	59,400	8,100	12.0
Benton County 2/	50,300	45,500	4,800	9.5	49,900	44,700	5,200	10.4	51,200	45,700	5,500	10.7
Franklin County 2/	15,600	13,600	2,000	12.8	16,000	13,400	2,600	16.3	16,300	13,700	2,600	16.0
Vancouver PMSA	111,100	102,700	8,400	7.6	111,000	102,400	8,600	7.7	106,000	96,500	9,500	9.0
Yakima MSA	84,800	71,500	13,300	15.7	84,400	70,000	14,400	17.1	82,700	69,700	13,000	15.7
Adams	6,290	5,310	980	15.6	6,280	5,110	1,170	18.6	6,380	5,280	1,100	17.2
Asotin	8,720	8,030	690	7.9	8,830	8,110	720	8.2	8,040	7,360	680	8.5
Clallam	22,270	19,940	2,330	10.5	22,470	19,900	2,570	11.4	21,770	19,360	2,410	11.1
Columbia	1,800	1,370	430	23.9	1,850	1,370	480	25.9	1,950	1,370	580	29.7
Cowlitz	34,910	31,720	3,190	9.1	35,020	31,560	3,460	9.9	33,760	30,060	3,700	11.0
Ferry	2,650	2,190	460	17.4	2,660	2,200	460	17.3	2,530	2,190	340	13.4
Garfield	1,010	920	90	8.9	1,010	910	100	9.9	1,110	970	140	12.6
Grant	22,770	19,420	3,350	14.7	22,600	19,080	3,520	15.6	22,470	18,880	3,590	16.0
Grays Harbor	25,230	22,140	3,090	12.2	25,070	21,770	3,300	13.2	26,230	22,920	3,310	12.6
Island	18,370	17,170	1,200	6.5	18,230	16,990	1,240	6.8	17,490	16,270	1,220	7.0
Jefferson	7,400	6,760	640	8.6	7,470	6,770	700	9.4	7,360	6,650	710	9.6
Kittitas	11,250	9,740	1,510	13.4	11,230	9,720	1,510	13.4	11,340	9,870	1,470	13.0
Klickitat	7,690	6,120	1,570	20.4	7,750	6,100	1,650	21.3	7,490	5,480	2,010	26.8
Lewis	24,900	22,070	2,830	11.4	24,380	21,260	3,120	12.8	23,650	20,640	3,010	12.7
Lincoln	3,890	3,550	340	8.7	3,860	3,520	340	8.8	4,180	3,750	430	10.3
Mason	12,460	11,160	1,300	10.4	12,500	11,230	1,270	10.2	11,970	10,650	1,320	11.0
Okanogan	14,830	12,390	2,440	16.5	14,640	12,240	2,400	16.4	14,420	12,100	2,320	16.1
Pacific	6,260	5,580	680	10.9	6,410	5,560	850	13.3	6,500	5,700	800	12.3
Pend Oreille	2,940	2,450	490	16.7	2,940	2,430	510	17.3	3,050	2,320	730	23.9
San Juan	4,720	4,350	370	7.8	4,730	4,340	390	8.2	4,420	3,920	500	11.3
Skagit	31,940	27,650	4,290	13.4	32,260	27,680	4,580	14.2	30,950	26,130	4,820	15.6
Skamania	2,290	1,580	710	31.0	2,350	1,530	820	34.9	2,370	1,620	750	31.6
Stevens	11,050	9,770	1,280	11.6	11,050	9,710	1,340	12.1	11,000	9,240	1,760	16.0
Wahkiakum	1,080	960	120	11.1	1,100	940	160	14.5	1,160	1,020	140	12.1
Walla Walla	23,250	20,490	2,760	11.9	23,120	20,130	2,990	12.9	23,500	20,270	3,230	13.7
Wenatchee Labor Area	39,350	34,650	4,700	11.9	38,960	34,190	4,770	12.2	38,640	33,500	5,140	13.3
Chelan County 2/	26,860	23,450	3,410	12.7	26,440	23,140	3,300	12.5	26,450	22,670	3,780	14.3
Douglas County 2/	12,500	11,200	1,300	10.4	12,510	11,050	1,460	11.7	12,190	10,830	1,360	11.2
Whitman	18,400	17,820	580	3.2	18,060	17,390	670	3.7	18,510	17,720	790	4.3

1/ Estimates provided here are for use as an economic time-series.

2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

March 29, 1988
Benchmark: 1987

(Not Seasonally Adjusted)

	FEBRUARY 1988 PRELIMINARY 1/				JANUARY 1988 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,277,200	2,098,500	178,700	7.8	2,269,200	2,082,700	186,500	8.2
Bellingham MSA	59,100	53,400	5,700	9.6	59,200	53,000	6,200	10.5
Bremerton MSA	72,800	67,800	5,000	6.9	73,300	68,300	5,000	6.8
Olympia MSA	76,500	70,900	5,600	7.3	75,400	69,500	5,900	7.8
Seattle PMSA	1,025,600	966,000	59,600	5.8	1,021,100	959,500	61,600	6.0
King County 2/	812,700	767,800	44,900	5.5	809,000	762,700	46,300	5.7
Snohomish County 2/	212,800	198,200	14,600	6.9	212,200	196,900	15,300	7.2
Spokane MSA	167,600	154,200	13,400	8.0	166,400	152,900	13,500	8.1
Tacoma MSA	243,700	225,300	18,400	7.6	242,500	223,300	19,200	7.9
Tri-Cities MSA	66,200	59,400	6,800	10.3	66,300	58,500	7,800	11.8
Benton County 2/	50,500	45,700	4,800	9.5	50,200	45,000	5,200	10.4
Franklin County 2/	15,700	13,700	2,000	12.7	16,100	13,500	2,600	16.1
Vancouver PMSA	111,500	103,100	8,400	7.5	111,600	103,100	8,500	7.6
Yakima MSA	85,100	71,800	13,300	15.6	84,700	70,500	14,200	16.8
Adams	6,320	5,330	990	15.7	6,300	5,150	1,150	18.3
Asotin	8,770	8,070	700	8.0	8,880	8,170	710	8.0
Clallam	22,370	20,030	2,340	10.5	22,590	20,040	2,550	11.3
Columbia	1,800	1,370	430	23.9	1,860	1,380	480	25.8
Cowlitz	35,070	31,860	3,210	9.2	35,200	31,780	3,420	9.7
Ferry	2,670	2,200	470	17.6	2,670	2,210	460	17.2
Garfield	1,020	930	90	8.8	1,020	920	100	9.8
Grant	22,860	19,500	3,360	14.7	22,700	19,210	3,490	15.4
Grays Harbor	25,330	22,230	3,100	12.2	25,190	21,920	3,270	13.0
Island	18,450	17,240	1,210	6.6	18,330	17,100	1,230	6.7
Jefferson	7,430	6,790	640	8.6	7,510	6,820	690	9.2
Kittitas	11,310	9,790	1,520	13.4	11,280	9,790	1,490	13.2
Klickitat	7,730	6,150	1,580	20.4	7,780	6,150	1,630	21.0
Lewis	25,000	22,160	2,840	11.4	24,500	21,410	3,090	12.6
Lincoln	3,900	3,560	340	8.7	3,880	3,540	340	8.8
Mason	12,510	11,210	1,300	10.4	12,570	11,310	1,260	10.0
Okanogan	14,890	12,440	2,450	16.5	14,700	12,330	2,370	16.1
Pacific	6,290	5,600	690	11.0	6,440	5,600	840	13.0
Pend Oreille	2,950	2,460	490	16.6	2,950	2,450	500	16.9
San Juan	4,740	4,370	370	7.8	4,750	4,370	380	8.0
Skagit	32,080	27,770	4,310	13.4	32,400	27,870	4,530	14.0
Skamania	2,290	1,580	710	31.0	2,350	1,540	810	34.5
Stevens	11,100	9,810	1,290	11.6	11,110	9,780	1,330	12.0
Wahkiakum	1,080	960	120	11.1	1,110	950	160	14.4
Walla Walla	23,350	20,580	2,770	11.9	23,230	20,270	2,960	12.7
Wenatchee Labor Area	39,520	34,800	4,720	11.9	39,150	34,430	4,720	12.1
Chelan County 2/	26,970	23,550	3,420	12.7	26,570	23,300	3,270	12.3
Douglas County 2/	12,550	11,250	1,300	10.4	12,580	11,130	1,450	11.5
Whitman	18,480	17,900	580	3.1	18,170	17,510	660	3.6

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/
(In Thousands)

NOT SEASONALLY ADJUSTED Industry	February 1988 (PREL.)	January 1988 (REV.)	February 1987 (REV.)	January 1987 (REV.)	Numerical Change Jan. 1988 to Feb. 1988	Numerical Change Feb. 1987 to Feb. 1988
TOTAL NONAG. WAGE AND SALARY.....	1857.1	1848.9	1773.3	1766.8	8.2	83.8
MANUFACTURING.....	321.9	321.2	304.2	304.3	0.7	17.7
Durable Goods.....	229.5	228.9	214.2	213.7	0.6	15.3
Lumber & Wood Products.....	39.3	39.2	38.3	38.0	0.1	1.0
Furniture & Fixtures.....	3.7	3.6	3.6	3.6	0.1	0.1
Stone, Clay & Glass.....	6.2	6.1	5.8	5.7	0.1	0.4
Primary Metals.....	11.9	11.9	11.1	11.4	0.0	0.8
Aluminum.....	8.1	8.1	7.3	7.6	0.0	0.8
Fabricated Metals.....	10.3	10.4	9.6	9.6	-0.1	0.7
Machinery.....	30.4	30.3	28.3	28.4	0.1	2.1
Machinery (Exc. Elec.)...	17.3	17.2	15.5	15.4	0.1	1.8
Electrical Equip.....	13.1	13.1	12.8 _3/	13.0 _3/	0.0	0.3
Transportation Equip.....	112.0	111.8	102.5	101.9	0.2	9.5
Aerospace.....	98.1	98.0	89.2	89.0	0.1	8.9
Other Transp. Equip.....	13.9	13.8	13.3	12.9	0.1	0.6
Instruments & Related.....	10.9	10.8	10.5 _3/	10.6 _3/	0.1	0.4
Misc. Manufacturing.....	4.8	4.8	4.5	4.5	0.0	0.3
Nondurable Goods.....	92.4	92.3	90.0	90.6	0.1	2.4
Food & Kindred Products....	29.8	29.6	28.4	28.1	0.2	1.4
Canned & Preserved Foods.	9.6	9.3	8.8 _3/	9.2	0.3	0.8
Apparel & Allied Products..	5.9	5.9	5.8	5.9	0.0	0.1
Paper & Allied Products....	16.3	16.4	16.3	16.4	-0.1	0.0
Printing & Publishing.....	20.8	20.7	19.6	19.6	0.1	1.2
Chemicals & Allied Products	11.0	11.1	11.6	11.4	-0.1	-0.6
Other Nondurable Goods 2/.	8.6	8.6	8.3	8.2	0.0	0.3
MINING & QUARRYING	3.1	3.0	2.7	2.7	0.1	0.4
CONSTRUCTION.....	83.0	82.8	77.5	77.5	0.2	5.5
TRANSP.,COMM. & UTIL.....	99.0	99.0	94.7	94.5	0.0	4.3
WHOLESALE & RETAIL TRADE.....	448.7	452.3	431.0	432.6	-3.6	17.7
Wholesale Trade.....	109.3	108.6	105.5	104.6	0.7	3.8
Retail Trade.....	339.4	343.7	325.5 _3/	328.0 _3/	-4.3	13.9
FIN. INS. & REAL ESTATE.....	106.5	106.3	105.3	104.7	0.2	1.2
SERVICES.....	432.1	426.9	401.8	397.8	5.2	30.3
Health Services.....	133.4	133.0	125.6 _3/	125.6 _3/	0.4	7.8
GOVERNMENT.....	362.8	357.4	356.1	352.7	5.4	6.7
Federal.....	68.9	68.8	68.1	68.3	0.1	0.8
State & Local.....	294.0	288.6	288.0	284.4	5.4	6.0
Education.....	158.5	154.9	157.6	154.6	3.6	0.9
WORKERS IN LABOR-MANAGEMENT DISPUTES.....	0.0	0.0	1.5	1.4	0.0	-1.5

_1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

_2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

_3/ Workers excluded because of involvement in labor-management disputes.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	Prelim Feb Production Workers Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Feb-88	Jan-88	Feb-87	Feb-88	Jan-88	Feb-87	Feb-88	Jan-88	Feb-87
TOTAL MANUFACTURING INDUSTRIES*	189,947	$475.60	$478.39	$482.40	40.0	40.1	40.2	$11.89	$11.93	$12.00
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	34,351	$427.67	$428.68	$435.11	39.2	38.9	40.4	$10.91	$11.02	$10.77
Primary Metal Industries	9,051	$545.78	$562.05	$543.47	44.3	45.0	43.1	$12.32	$12.49	$12.54
Fabricated Metal Products	7,757	$422.82	$409.22	$440.16	37.2	37.0	39.3	$11.35	$11.06	$11.20
Machinery	17,387	$371.39	$368.28	$385.09	39.3	39.9	39.7	$9.45	$9.23	$9.70
Food and Kindred Products	21,666	$357.34	$359.10	$364.82	36.5	36.2	37.0	$9.79	$9.92	$9.86
Chemical and Allied Products	4,317	$597.96	$599.81	$635.21	40.9	40.5	43.3	$14.62	$14.81	$14.67
Transportation Equipment	47,503	$594.17	$593.74	$616.73	42.9	42.9	42.3	$13.85	$13.84	$14.58
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	57,204	$573.52	$572.61	$582.18	35.8	35.9	36.5	$16.02	$15.95	$15.95
Wholesale and Retail Trade (does not include eating and drinking establishments)	277,030	$310.29	$308.45	$319.14	32.8	32.4	33.7	$9.46	$9.52	$9.47

* Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor-management disputes.

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Washington LABOR MARKET

April 1988

Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Gary Bodeutsch
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

**Occupational Demand-Supply Reports
Available--Page 10**

Highlights

Employment Springs Ahead

Employment surged ahead in March encouraged by milder weather conditions. The job total in Washington State rose 27,000 from February with growth in both farm and nonfarm jobs. In Western Washington, the daffodil bud harvest was underway and vegetable crops were being planted. Spring tillage began throughout the state, while orchard cleanup continued east of the Cascades and asparagus growers were grooming fields and preparing for the harvest to begin. More important, rain brought much needed moisture to agricultural areas in Eastern Washington.

Unemployment Down

Responding to the expansion in employment opportunities, total unemployment in the state fell 10,900 from February to total 166,400 in March and 7.3 percent of the labor force. The decline was greater than seasonally expected, and the seasonally adjusted rate fell from 7.0 to

Volume 12, Number 4

	Mar. 1988* (Prel.)	Feb. 1988 (Rev.)	Mar. 1987
Civilian Labor Force	2,284,200	2,268,100	2,201,400
Total Employment	2,117,800	2,090,800	2,015,100
Total Unemployment	166,400	177,300	186,300
State Unemployment Rate	7.3	7.8	8.5
National Civilian Unemployment Rate	5.9	6.2	6.9

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

6.8 percent over the month. Over the year, total unemployment in the state was down 19,900 as job growth substantially exceeded the number of new entrants to the labor force. Employment jumped 102,700 over the year, or 5.1 percent, which was more than twice the growth rate nationally.

MARCH INDUSTRY DEVELOPMENTS

Tourist Business Picks Up

Nonagricultural wage and salary payrolls rose 16,500 in March with seasonal job growth on schedule and no sign of any slackening in the economy. Most of the job growth was in the nonmanufacturing industries, especially services, trade and construction. The services industries led the expansion with a gain of 5,000. Health services continued to grow and contributed 1,200 of the new jobs, while other gains were largely seasonal. The beginning of the spring tourist season resulted in expansions at hotels and motels; agricultural services was higher because of more landscape work and spring pruning; and firms which prepare income tax returns for others added staff with the filing deadline approaching. Employment at ski resorts declined seasonally, but higher payrolls in the remainder of the amusement industry more than offset the loss because of the opening of race tracks and expansions at golf courses. Carnivals also began their spring-summer tour of

shopping centers. Employment at private colleges, however, declined slightly because of spring vacations.

Restaurants Note Seasonal Gains

Retail trade added 2,000 jobs in March, while wholesale employment rose 900. About three-fourths of the increase on the retail level occurred at restaurants. Spring weather, as usual, prompted local residents to take short trips and eat out more. In other segments of retail trade, employment changes were mixed but followed normal seasonal patterns. Job growth was noted at building material outlets, gasoline service stations, recreational vehicle dealers, and food stores. Department and apparel stores, however, cut back while waiting to begin summer sales promotions. In wholesale trade most of the new jobs were at firms handling durable goods and farm and garden supplies.

Construction Going Up

Construction moved out of its winter doldrums in March with a strong gain of 3,500 jobs. The major uncertainty for the industry is homebuilding. Mortgage rates have declined in recent months but are still up over the year. Nationally, housing starts rose 1.9 percent in March following a gain of 9.6 percent in February, but were still down 10.4 percent over the year in March. Most analysts expect slightly fewer starts this year than last. Many analysts are encouraged, however, by the decline in mortgage rates from last fall and increasing consumer confidence.

In other nonmanufacturing industries, government civilian employment rose 1,500 with 900 of the increase in education. All of the gains in education occurred at primary and secondary schools. Employment at state colleges was down slightly because of spring vacations. Other gains in government resulted largely from a spring pickup in outdoor work such as brush cutting along roadways and repairing potholes which developed over the winter.

Finance, insurance, and real estate moved up 700 in March with most of the growth in real estate where sales began to increase from their winter lows. Transportation-communications-utilities also began to expand in response to growing business activity. Higher employment was reported by trucking firms, airlines and in longshoring.

Manufacturing Adds 2,300 Jobs

Manufacturing also contributed to the job growth in March with a gain of 2,300. Surprisingly, shipbuilding was one of the major sources of new manufacturing jobs in March with the "other transportation equipment" category up 700. Repair and remodeling contracts will result in additional gains in April and May, but shipbuilding is not expected to return to its former prominence. Seasonal gains were credited to food products (up 500) and lumber-wood products (up 300). The largest increase in food products was at fish and other seafoods plants. Lumber employment should continue to increase through September and October, barring a major labor dispute or closure of forests because of fire hazard conditions. Some sawmills, however, have reported difficulty obtaining a sufficient supply of logs at acceptable prices.

Aerospace Stable

Aerospace remained relatively stable for the second consecutive month, adding 100 jobs in both February and March. Nonetheless, even though total employment in the industry remains relatively unchanged, a considerable number of job openings occur for replacement purposes because of the industry's size.

YEAR-TO-YEAR DEVELOPMENTS

Heath Service Workers in Demand

Service industries continue to lead the job expansion in the state, adding 29,400 over the year. Health services, the largest category in the industry, grows year in and year out regardless of overall economic conditions. Over the past year, health services employment has increased 7,800, or 6.1 percent, compared with a 4.5 percent gain in other nonfarm industries. Advertisements for health care workers is increasingly common and a sign of the growth taking place in the industry.

Business Services Booms

While health care services has grown rapidly in recent years, business services has grown even more rapidly. Since 1983, business services employment has increased 75 percent versus a gain of 23.5 percent in health services payrolls. Major reasons for the boom in business services are the expansion in overall business activity since 1983 and the growing popularity of contracting out support activities. Two of the fastest growing categories in business services are computer and data processing services, which has more than doubled in employment since 1983, and personnel

supply agencies where employment has nearly tripled since 1983. Contracting for workers not needed permanently, rather than hiring them directly, has grown in popularity in recent years. The workers involved remain the employees of the supply agency, and there is no obligation on the part of the contracting firm to retain them if they are unsuitable or when they are no longer needed.

16,600 New Jobs in Trade

Wholesale and retail trade payrolls rose 16,600 year to year to post the next largest increase. Growth has been reported in most segments of the industry from apparel stores to restaurants and reflects the rise in income generated by the state's expanding economy. The increase in the proportion of the population of working age resulting from the maturing of the "baby-boom" generation is a contributing factor as is the increasing participation of women in the work force.

Construction Strong

In other nonmanufacturing industries, construction added 6,800. Heavy construction, including street and highway, was down slightly over the year, but residential construction was up despite weakness on the national level. The housing market in the Puget Sound area, however, remains relatively healthy because of exceptionally strong job growth and in-migration.

Government Jobs Growing Slowly

Government civilian payrolls rose 5,400 over the year, or 1.5 percent. The increase was well below the 5.4 percent gain in all other nonfarm employment. All of the increase was on the state and local level. Federal payrolls dipped 300 over the year because of a cutback in defense jobs. Further reductions are likely because of a cutback in the defense budget for the next fiscal year.

Growth Continues in Manufacturing

Manufacturing is enjoying a resurgence both nationally and in the state because of the decline in the dollar relative to the foreign currencies. Nationally, manufacturing employment was up 2.2 percent over the year in March, but in this state the gain was 5.9 percent. Aerospace accounted for 8,600 additional manufacturing jobs in Washington State over the 12-month period, however, employment in other manufacturing industries rose 9,500. The only loss occurred in chemicals where the job total fell 700 because of cutbacks at Hanford.

On the positive side, lumber-wood products added 1,500 jobs year to year with over half of the increase in logging. Log exports are exceptionally strong. Aluminum employment rose 1,200 from March 1987 when payrolls were depressed and two plants idle. Since that time aluminum demand and prices have strengthened, and the industry is now operating at near capacity for the first time since 1982. The price of aluminum ingots was quoted at $1.16 per pound in the week ended April 9, 1988. A year earlier the metal sold at $0.774 per pound.

Machinery firms added 2,100 workers over the year because of strong export and domestic demand. The U.S. Department of Commerce reported in April that business investment surged 21 percent in the first quarter of this year. "Other transportation equipment" added 1,100 jobs from March 1987. Shipbuilding was still down over the year despite its increase this March, but growth at firms producing pleasure craft far exceeded the drop.

AREA TRENDS

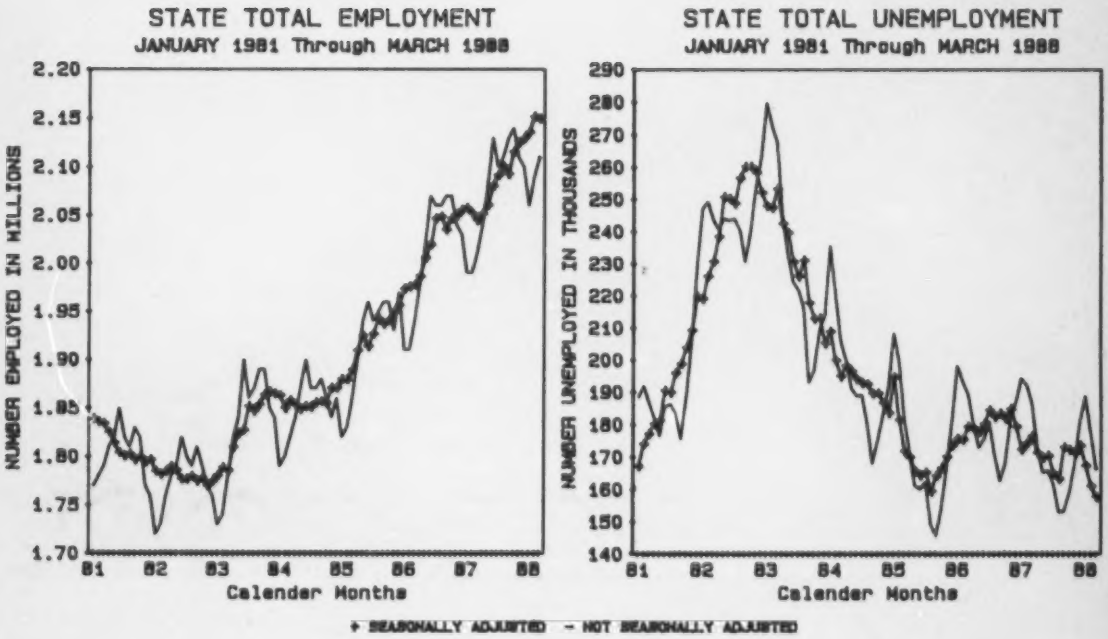
Farm Jobs Lower Unemployment In Eastern Washington

Unemployment declined in most areas of the state in March, but the largest reductions occurred in Eastern Washington because of the expansion in agriculture. The overall rate east of the Cascades, however, remained significantly higher than on the west side. The jobless rate in Eastern Washington fell from 11.1 in February to 10.1 percent in March with employment advancing nearly two percent, while the rate in the western part of the state declined from 6.9 to 6.5 percent with employment increasing 1.1 percent.

In the state's major metropolitan areas, unemployment declined more moderately than in other areas because of less dependence on seasonal industries. Seattle's rate edged down from 5.8 to 5.6 percent; Tacoma saw its rate fall from 7.5 to 7.1 percent, while the rate in Spokane fell from 7.8 percent in February to 7.2 in March. By contrast, in the Yakima area where agricultural activities were expanding, the rate fell from 15.6 to 13.4 percent. And despite layoffs at Hanford, the jobless rate in the Tri-Cities area fell from 10.4 to 9.4 percent over the month because of the expansion in agricultural employment.

Job Growth Centered
In Seattle and Tacoma

An over the year comparison presents a different picture of trends in regional economies. Employment in Western Washington rose 5.7 percent over the year versus an increase of 2.8 percent on the east side. Moreover, 70 percent of the job gain over the year occurred in the Seattle and Tacoma metropolitan areas. Despite the uneven employment growth, however, unemployment has declined just as much in Eastern Washington and in most nonmetropolitan areas of Western Washington as it has in the central Puget Sound area. Apparently people are moving to where the jobs are.



INDUSTRY NOTES

Orders Roll In For Boeing

Orders for Boeing jetliners continued to roll in during April. Orders and options for 13 Boeing jumbo jets from Korean Air Lines would be worth nearly $2 billion if the options are exercised. Firm orders were included for six 747-400s worth $936 million. Deliveries of the aircraft will extend through 1994. International Leasure Group, based in Great Britain, ordered 30 jetliners worth $1.4 billion. The order, which is subject to the completion of financing, includes 22 Boeing 757-200s and eight 737-400s with delivery starting in April 1990.

Government-owned Air France was authorized by its board to order 12 Boeing 737-500 jetliners in April. The 737-500 is still under development but is expected to be available for commercial service next year. With 108 seats, it will be the smallest Boeing jetliner. Airbus doesn't offer a plane of that size.

Water Supply Still Short

Heavy rainfall in March eased the drought in Washington State, but a water shortage still exists. The U.S. Army Corps of Engineers, however, expects stream flows to be 70 percent of normal this summer. Spokesmen for the Corps, the U.S. Bureau of Reclamation, and the Bonneville Power Administration now expect normal precipitation this summer will be sufficient to meet the needs of fish, farmers and utilities in the Pacific Northwest through this summer. The Bureau of Reclamation credited conservation measures for the improved outlook. The conservation measures included planting crops which require less water such as grains and alfalfa. Arrangements have also been made to share water among irrigation districts.

Nursing Shortage to Grow

According to the Seattle Area Hospital Association there are 1,000 to 1,200 nursing job vacancies in Washington State. Vacancies are expected to increase because of the decision of federal officials not to renew visas of thousands of foreign nurses. Foreign nurses were recruited throughout the United States to ease a growing shortage of nurses. Few foreign nurses were recruited by Seattle area hospitals, but the jobs they vacate in other states is expected to impact the supply of nurses in Seattle.

Besides active recruitment, hospitals in Seattle have implemented programs to encourage high school students to enter nursing education programs and have tried to attract people age 25 to 44 who are seeking a second career.

Key Tronic Corp. to Cut 125 Jobs

Key Tronic Corp., a Spokane manufacturer of keyboards for computers, announced in April that it would lay off 125 employees not involved in production or not directly supporting production over the next few months. The layoff is in addition to the cutback of 110 workers announced in March. The firm's president attributed the layoffs to the need to lower labor costs because of intense price competition from foreign competitors. An additional 100 production workers may be laid off temporarily when the company moves its assembly work from Spokane to a plant in Cheney. Despite the cutbacks, Key Tronic expects to ship a record number of keyboards during its current fiscal year, which will end June 30. Orders for the company's new "Quicksilver" keyboard continue to exceed production capacity, according to the firm's president.

Spokane Schools to Cut Staff

Spokane School District #81 will drop more than 80 jobs next year because of declining enrollments in its middle and high schools. According to the school district's superintendent, most of the jobs will be eliminated through attrition. About 50 jobs are teaching position, some of them vacant.

NATIONAL INDICATORS

Economic Indicators continued on a positive trend with the Gross National Product (GNP) expanding in the first quarter and the Index of Leading Economic Indicators posting a gain in both February and March. Purchasing agents also noted a strong economy in April.

GNP Up 2.3 Percent

The nation's economy expanded 2.3 percent in the first quarter as consumer spending rebounded from a decline in the fourth quarter, business investment picked up and the nation's trade deficit narrowed. The increase was down from 4.8 percent in the fourth quarter, but much of that increase resulted from a sharp gain in inventories. The buildup in inventories and drop in consumer spending in the fourth quarter prompted some economists to expect production cutbacks if not a recession. The cutback did

not occur. Moreover, prospects for the second quarter are encouraging. Employment growth and lower tax withholding this year are boosting consumer confidence. The Index of Consumer Sentiment of the University of Michigan's Institute for Social Research jumped 3.3 percent in March and is now higher than its previous high set in August 1987.

Leading Indicators Advance

The Index of Leading Economic Indicators, the government's main forecasting gauge, rose 0.8 percent in March following a gain of 1.3 percent (revised) in February. The positive changes in the index in February and March reversed a declining trend, which followed the stock market sell-off in October.

The value of the index as a forecasting tool has been criticized recently because it sometimes predicts recessions which don't occur. The Federal Reserve, however, also follows economic indicators closely. Had they not eased the availability of credit last fall when the index was falling, we very likely would be in a recession.

Leading indicators contributing to the rise in the index in March were declines in initial claims for unemployment compensation and the business delivery index. Building permits, stock market prices, the money supply, and sensitive material prices all moved ahead. Leading indicators pointing down were the average workweek of manufacturing production workers, plant and equipment orders and orders for consumer goods. The declines in consumer goods and plant and equipment orders were slight. Data were not available on credit outstanding or inventories for the preliminary March estimate of the index.

Purchasing Agents Note Growth

The National Association of Purchasing Management reported that its April survey of 250 purchasing managers indicated that the growth rate of new orders continued at a healthy pace, particularly export orders. Production expanded at an even faster rate, according to the survey, but 70 percent of the purchasers also reported higher prices.

Occupational Supply-Demand Reports Available

A new edition of the Occupations in the Labor Market: Demand, Supply and Characteristics is now available from the Employment Security Department. Twenty-eight publications, covering Washington State and 24 substate areas, contain updated information on the demand for and supply of workers in particular occupations as well as

BEST COPY AVAILABLE

ages and other characteristics of the jobs. The data files may also be obtained on microcomputer diskettes. For a descriptive order form and price list, write to: Employment Security Department, Labor Market and Economic Analysis - OIS, Mail Stop: KG-11, Olympia, Washington 98504 or call (206) 438-4815.

CONSUMER PRICE INDEX
(All Items, Urban Consumers, 1982-1984=100)**

	INDEXES			PERCENT CHANGE Year Ending	
	Mar. 1988	Feb. 1988	Mar. 1987	Mar. 1988	Feb. 1988
U.S. City Average	116.5	116.0	112.1	3.9	3.9
	July-Dec. 1987	July-Dec. 1986		July-Dec. '86 to July-Dec. '87	
Seattle*	110.3	106.7		3.4	

* The index for Seattle reflects prices in King, Pierce and Snohomish counties.

** The base period for the index has been changed from 1967=100 to 1982-1984=100. The conversion factors for the All Items, Urban Consumers Indexes on the 1967=100 base are U.S=0.3338279, Seattle=0.3280421.

Source: U.S. Department of Labor, Bureau of Labor Statistics

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/
(In Thousands)

NOT SEASONALLY ADJUSTED Industry	March 1988 (Prel.)	February 1988 (REV.)	March 1987 (REV.)	February 1987 (REV.)	Numerical Change Feb. 1988 to March 1988	Numerical Change March 1987 to March 1988
TOTAL NONAG. WAGE AND SALARY.	1874.7	1858.2	1792.2	1773.3	16.5	82.5
MANUFACTURING.....	324.2	321.9	306.1	304.2	2.3	18.1
Durable Goods.....	231.0	229.4	214.9	214.2	1.6	16.1
Lumber & Wood Products.....	39.6 _3/	39.3	38.1	38.3	0.3	1.5
Furniture & Fixtures.....	3.7	3.6	3.7	3.6	0.1	0.0
Stone, Clay & Glass.....	6.3	6.2	6.0	5.8	0.1	0.3
Primary Metals.....	11.9	11.9	10.8	11.1	0.0	1.1
Aluminum.....	8.2	8.1	7.0	7.3	0.1	1.2
Fabricated Metals.....	10.3	10.3	9.7	9.6	0.0	0.6
Machinery.....	30.6	30.4	28.5	28.3	0.2	2.1
Machinery (Exc. Elec.)..	17.4	17.3	15.6 _3/	15.5 _3/	0.1	1.8
Electrical Equip.....	13.2	13.1	12.9	12.8	0.1	0.3
Transportation Equip.....	112.8	112.0	103.1	102.5	0.8	9.7
Aerospace.....	98.2	98.1	89.6	89.2	0.1	8.6
Other Transp. Equip.....	14.6	13.9	13.5 _3/	13.3 _3/	0.7	1.1
Instruments & Related.....	10.9	10.9	10.5	10.5	0.0	0.4
Misc. Manufacturing.....	4.9	4.8	4.5	4.5	0.1	0.4
Nondurable Goods.....	93.2	92.5	91.2	90.0	0.7	2.0
Food & Kindred Products.....	30.4	29.9	29.3	28.4 _3/	0.5	1.1
Canned & Preserved Foods.	9.8	9.7	9.5	8.8	0.1	0.3
Apparel & Allied Products...	6.0	5.9	5.8	5.8	0.1	0.2
Paper & Allied Products.....	16.4	16.3	16.4	16.3	0.1	0.0
Printing & Publishing.....	20.8	20.8	19.7	19.6	0.0	1.1
Chemicals & Allied Products	10.9	11.0	11.6	11.6	-0.1	-0.7
Other Nondurable Goods.....	8.7	8.6	8.4	8.3	0.1	0.3
MINING & QUARRYING	3.3	3.1	2.8	2.7	0.2	0.5
CONSTRUCTION.....	86.9	83.4	80.1	77.5	3.5	6.8
TRANSP.,COMM. & UTIL.....	99.6	99.2	95.0	94.7 _3/	0.4	4.6
WHOLESALE & RETAIL TRADE.....	452.2	449.3	435.6	431.0	2.9	16.6
Wholesale Trade.....	110.3	109.4	106.9	105.5	0.9	3.4
Retail Trade.....	341.9 _3/	339.9	328.7 _3/	325.5 _3/	2.0	13.2
FIN. INS. & REAL ESTATE.....	107.1	106.4	106.0	105.3	0.7	1.1
SERVICES.....	436.9	431.9	407.5	401.8	5.0	29.4
Health Services.....	134.6	133.4	126.8	125.6	1.2	7.8
GOVERNMENT.....	364.5	363.0	359.1	356.1	1.5	5.4
Federal.....	69.0	68.9	69.3	68.1	0.1	-0.3
State & Local.....	295.5	294.1	289.8	288.0	1.4	5.7
Education.....	159.5	158.6	158.7	157.6	0.9	0.8
(WORKERS IN LABOR-MANAGEMENT DISPUTES.....	0.2	0.0	1.2	1.5	0.2	-1.0

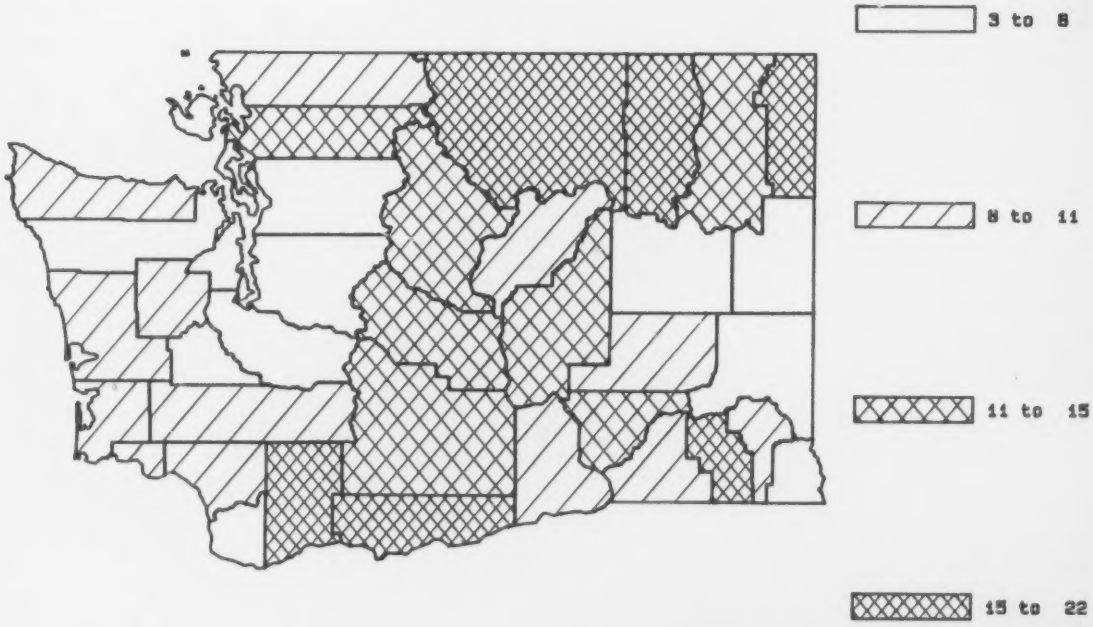
_1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

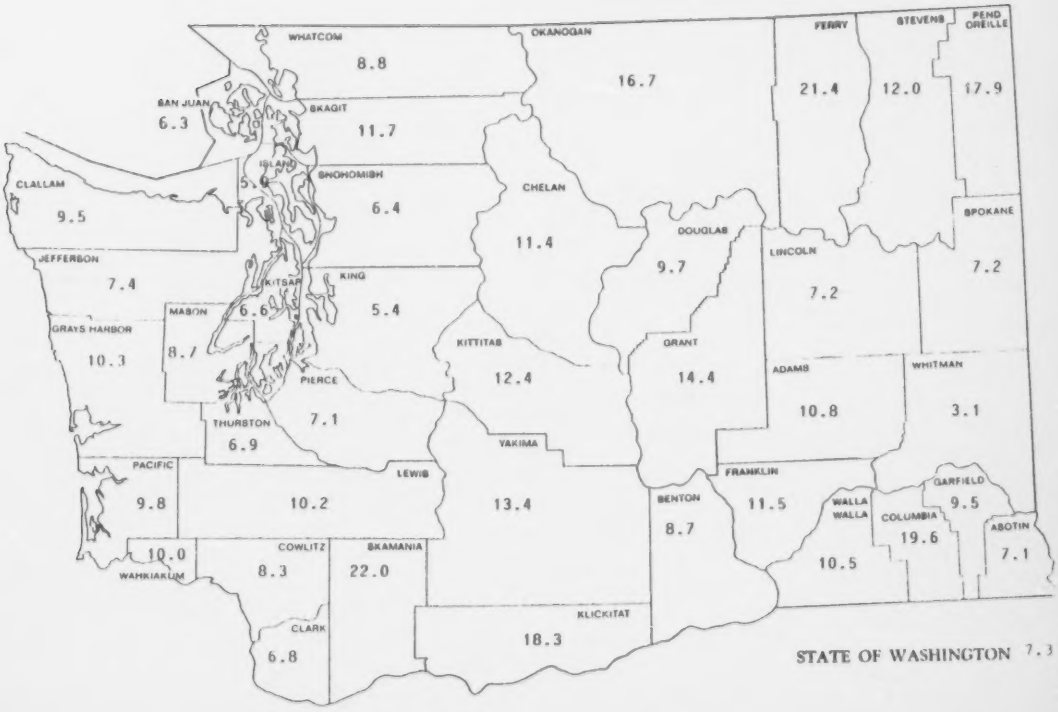
_2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

_3/ Workers excluded because of involvement in labor-management disputes.

MARCH UNEMPLOYMENT RATES

State of Washington 7.3





Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT
IN WASHINGTON STATE AND LABOR MARKET AREAS

(Not Seasonally Adjusted)

DATE 5/3/88
Benchmark: 1987

	MARCH 1988 PRELIMINARY 1/				FEBRUARY 1988 REVISED 1/				MARCH 1987 REVISED			
	Labor Force	Employment	Unemploy-ment	Unemp. Rate	Labor Force	Employment	Unemploy-ment	Unemp. Rate	Labor Force	Employment	Unemploy-ment	Unemp. Rate
Washington State total	2,284,200	2,117,800	166,400	7.3	2,268,100	2,090,800	177,300	7.8	2,201,400	2,015,100	186,300	8.5
Bellingham MSA	59,300	54,100	5,200	8.8	58,700	53,100	5,600	9.5	56,300	51,300	5,000	8.9
Bremerton MSA	72,900	68,100	4,800	6.6	72,900	68,000	4,900	6.7	71,100	66,500	4,600	6.5
Olympia MSA	74,900	69,700	5,200	6.9	76,000	70,400	5,600	7.4	72,600	66,900	5,700	7.9
Seattle PMSA	1,028,900	971,300	57,600	5.6	1,020,100	961,200	58,900	5.8	977,500	914,000	63,500	6.5
King County 2/	816,000	772,100	43,900	5.4	808,600	764,000	44,600	5.5	775,200	726,500	48,700	6.3
Snohomish County 2/	212,900	199,300	13,600	6.4	211,600	197,200	14,400	6.8	202,400	187,500	14,900	7.4
Spokane MSA	167,600	155,500	12,100	7.2	166,900	153,800	13,100	7.8	163,900	149,800	14,100	8.6
Tacoma PMSA	245,200	227,800	17,400	7.1	242,800	224,500	18,300	7.5	234,600	213,600	21,000	9.0
Tri-Cities MSA	66,200	60,000	6,200	9.4	66,100	59,200	6,900	10.4	67,900	61,100	6,800	10.0
Benton County 2/	50,600	46,200	4,400	8.7	50,400	45,600	4,800	9.5	52,000	47,000	5,000	9.6
Franklin County 2/	15,600	13,800	1,800	11.5	15,800	13,700	2,100	13.3	15,900	14,100	1,800	11.3
Vancouver PMSA	112,400	104,800	7,600	6.8	111,700	103,200	8,500	7.6	107,200	97,800	9,400	8.8
Yakima MSA	87,000	75,300	11,700	13.4	85,200	71,900	13,300	15.6	84,800	72,900	11,900	14.0
Adams	6,380	5,690	690	10.8	6,390	5,410	980	15.3	6,370	5,550	820	12.9
Asotin	8,910	8,280	630	7.1	8,820	8,140	680	7.7	8,220	7,530	690	8.4
Clallam	22,280	20,170	2,110	9.5	22,310	19,970	2,340	10.5	22,070	19,900	2,170	9.8
Columbia	2,090	1,680	410	19.6	1,820	1,370	450	24.7	2,080	1,700	380	18.3
Cowlitz	35,070	32,160	2,910	8.3	35,020	31,860	3,160	9.0	34,310	30,460	3,850	11.2
Ferry	2,800	2,200	600	21.4	2,670	2,190	480	18.0	2,530	2,090	440	17.4
Garfield	1,050	950	100	9.5	1,030	940	90	8.7	1,110	990	120	10.8
Grant	23,010	19,700	3,310	14.4	22,630	19,350	3,280	14.5	23,010	19,870	3,140	13.6
Grays Harbor	25,160	22,560	2,600	10.3	25,250	22,160	3,090	12.2	26,070	23,040	3,030	11.6
Island	18,560	17,470	1,090	5.9	18,360	17,180	1,180	6.4	17,660	16,510	1,150	6.5
Jefferson	7,460	6,910	550	7.4	7,400	6,760	640	8.6	7,610	6,940	670	8.8
Kittitas	11,130	9,750	1,380	12.4	11,220	9,750	1,470	13.1	11,500	10,080	1,420	12.3
Klickitat	7,750	6,330	1,420	18.3	7,710	6,130	1,580	20.5	7,270	5,190	2,080	28.6
Lewis	24,350	21,870	2,480	10.2	24,380	21,600	2,780	11.4	23,600	20,750	2,850	12.1
Lincoln	3,900	3,620	280	7.2	3,910	3,570	340	8.7	4,170	3,800	370	8.9
Mason	12,340	11,270	1,070	8.7	12,440	11,120	1,320	10.6	12,110	10,900	1,210	10.0
Okanogan	14,930	12,430	2,500	16.7	14,740	12,280	2,460	16.7	14,490	12,010	2,480	17.1
Pacific	6,100	5,500	600	9.8	6,340	5,620	720	11.4	6,650	5,850	800	12.0
Pend Oreille	3,020	2,480	540	17.9	2,970	2,470	500	16.8	3,050	2,310	740	24.3
San Juan	4,930	4,620	310	6.3	4,710	4,350	360	7.6	4,630	4,250	380	8.2
Skagit	32,360	28,560	3,800	11.7	31,940	27,710	4,230	13.2	31,530	27,410	4,120	13.1
Skamania	2,230	1,740	490	22.0	2,290	1,580	710	31.0	2,550	2,020	530	20.8
Stevens	11,170	9,830	1,340	12.0	11,000	9,730	1,270	11.5	11,190	9,320	1,870	16.7
Wahkiakum	1,100	990	110	10.0	1,070	960	110	10.3	1,180	1,060	120	10.2
Walla Walla	23,390	20,940	2,450	10.5	23,300	20,510	2,790	12.0	23,470	20,510	2,960	12.6
Wenatchee Labor Area	39,710	35,410	4,300	10.8	39,500	34,850	4,650	11.8	38,890	33,620	5,270	13.6
Chelan County 2/	27,040	23,960	3,080	11.4	26,900	23,580	3,320	12.3	26,730	22,750	3,980	14.9
Douglas County 2/	12,680	11,450	1,230	9.7	12,600	11,270	1,330	10.6	12,160	10,870	1,290	10.6
Whitman	18,650	18,080	570	3.1	18,460	17,880	580	3.1	18,550	17,730	820	4.4

1/ Estimates provided here are for use as an economic time-series.

2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT
ESTIMATES FOR FEDERAL PROGRAM PURPOSES

(Not Seasonally Adjusted)

May 3, 1988
Benchmark: 1987

	MARCH 1988 PRELIMINARY 1/				FEBRUARY 1988 REVISED 1/			
	Labor Force	Employment	Unemploy-ment	Unemp. Rate	Labor Force	Employment	Unemploy-ment	Unemp. Rate
Washington State total	2,298,200	2,131,000	167,200	7.3	2,277,800	2,099,700	178,100	7.8
Bellingham MSA	59,600	54,400	5,200	8.7	59,100	53,400	5,700	9.6
Bremerton MSA	73,300	68,500	4,800	6.5	73,200	68,300	4,900	6.7
Olympia MSA	75,400	70,200	5,200	6.9	76,300	70,700	5,600	7.3
Seattle PMSA	1,035,200	977,400	57,800	5.6	1,024,500	965,300	59,200	5.8
King County 2/	821,000	776,900	44,100	5.4	812,000	767,300	44,700	5.5
Snohomish County 2/	214,200	200,500	13,700	6.4	212,500	198,000	14,500	6.8
Spokane MSA	168,700	156,500	12,200	7.2	167,600	154,400	13,200	7.9
Tacoma MSA	246,700	229,200	17,500	7.1	243,700	225,400	18,300	7.5
Tri-Cities MSA	66,700	60,400	6,300	9.4	66,400	59,500	6,900	10.4
Benton County 2/	51,000	46,500	4,500	8.8	50,600	45,800	4,800	9.5
Franklin County 2/	15,700	13,900	1,800	11.5	15,800	13,700	2,100	13.3
Vancouver PMSA	113,100	105,500	7,600	6.7	112,100	103,600	8,500	7.6
Yakima MSA	87,600	75,800	11,800	13.5	85,600	72,300	13,300	15.5
Adams	6,420	5,730	690	10.7	6,430	5,440	990	15.4
Asotin	8,960	8,330	630	7.0	8,870	8,180	690	7.8
Clallam	22,410	20,290	2,120	9.5	22,400	20,050	2,350	10.5
Columbia	2,100	1,690	410	19.5	1,820	1,370	450	24.7
Cowlitz	35,280	32,360	2,920	8.3	35,160	31,990	3,170	9.0
Ferry	2,810	2,210	600	21.4	2,690	2,200	490	18.2
Garfield	1,060	960	100	9.4	1,040	950	90	8.7
Grant	23,150	19,830	3,320	14.3	22,730	19,430	3,300	14.5
Grays Harbor	25,310	22,700	2,610	10.3	25,360	22,260	3,100	12.2
Island	18,670	17,570	1,100	5.9	18,440	17,260	1,180	6.4
Jefferson	7,500	6,950	550	7.3	7,430	6,790	640	8.6
Kittitas	11,200	9,810	1,390	12.4	11,270	9,790	1,480	13.1
Klickitat	7,800	6,370	1,430	18.3	7,750	6,160	1,590	20.5
Lewis	24,510	22,010	2,500	10.2	24,500	21,700	2,800	11.4
Lincoln	3,930	3,650	280	7.1	3,930	3,590	340	8.7
Mason	12,420	11,340	1,080	8.7	12,490	11,160	1,330	10.6
Okanogan	15,020	12,510	2,510	16.7	14,800	12,330	2,470	16.7
Pacific	6,130	5,530	600	9.8	6,370	5,650	720	11.3
Pend Oreille	3,040	2,500	540	17.8	2,980	2,480	500	16.8
San Juan	4,960	4,650	310	6.3	4,740	4,370	370	7.8
Skagit	32,560	28,740	3,820	11.7	32,070	27,830	4,240	13.2
Skamania	2,240	1,750	490	21.9	2,290	1,580	710	31.0
Stevens	11,240	9,890	1,350	12.0	11,050	9,770	1,280	11.6
Wahkiakum	1,110	1,000	110	9.9	1,070	960	110	10.3
Walla Walla	23,530	21,070	2,460	10.5	23,390	20,590	2,800	12.0
Wenatchee Labor Area	39,950	35,630	4,320	10.8	39,670	35,000	4,670	11.8
Chelan County 2/	27,200	24,110	3,090	11.4	27,020	23,680	3,340	12.4
Douglas County 2/	12,750	11,520	1,230	9.6	12,660	11,320	1,340	10.6
Whitman	18,760	18,190	570	3.0	18,540	17,950	590	3.2

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	Prelim Mar Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Mar-88	Feb-88	Mar-87	Mar-88	Feb-88	Mar-87	Mar-88	Feb-88	Mar-87
TOTAL MANUFACTURING INDUSTRIES*	190,795	$472.78	$473.22	$482.40	40.1	39.8	40.1	$11.79	$11.89	$12.03
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	34,461	$410.03	$423.93	$426.60	38.5	39.0	39.5	$10.65	$10.87	$10.80
Primary Metal Industries	9,182	$556.86	$543.22	$547.62	44.8	44.2	43.6	$12.43	$12.29	$12.56
Fabricated Metal Products	7,772	$433.13	$423.74	$444.14	38.5	37.4	39.2	$11.25	$11.33	$11.33
Machinery	17,278	$370.66	$367.29	$384.52	39.6	38.5	39.6	$9.36	$9.54	$9.71
Food and Kindred Products	22,039	$360.61	$353.20	$354.69	37.1	36.3	35.9	$9.72	$9.73	$9.88
Chemical and Allied Products	4,378	$588.24	$597.96	$606.41	43.0	40.9	42.2	$13.68	$14.62	$14.37
Transportation Equipment	48,271	$590.21	$595.55	$620.26	42.8	43.0	42.6	$13.79	$13.85	$14.56
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	61,181	$588.06	$572.44	$596.38	36.8	35.8	36.7	$15.98	$15.99	$16.25
Wholesale and Retail Trade (does not include eating and drinking establishments)	247,606	$319.75	$317.18	$315.07	33.1	32.8	33.2	$9.66	$9.67	$9.49

* Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bu of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor-management disputes.

Revised 1986 and 1987 monthly and average annual data are available on request.

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6/28/88 58340-3

Washington LABOR MARKET

May 1988

JOB SERVICE

Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
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Economic Analysis Branch
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Gary Bodeutsch
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

Highlights

Concern Shifts to Inflation

In less than seven months concern over the nation's economy has shifted from an expected drop in demand, production and jobs to the belief that the economy is growing so rapidly that inflation will escalate. Following the stock market sell-off last October, demand was widely expected to fall substantially because of the loss in wealth and a drop in consumer confidence. A large build up in business inventories in the fourth quarter added to the belief that a recession was near. Rather than a recession, the first quarter of this year has seen unexpectedly strong domestic and foreign demand fuel growth in industrial output and jobs.

To economists, however, good news bears closer inspection. Some analysts now worry that the nation's economy is expanding too rapidly, which may result in rapidly escalating prices and end the economic expansion. Whether that occurs or

Volume 12, Number 5

	Apr. 1988* (Prel.)	Mar. 1988 (Rev.)	Apr. 1987
Civilian Labor Force	2,315,600	2,289,000	2,219,300
Total Employment	2,165,600	2,119,500	2,046,700
Total Unemployment	150,000	169,500	172,600
State Unemployment Rate	6.5	7.4	7.8
National Civilian Unemployment Rate	5.3	5.9	6.2

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

not will largely depend on how successful the Federal Reserve is in restraining the expansion without precipitating a recession. In any event, it is less stressful to worry about whether too many jobs are being created than the alternative.

Job Growth Strong

Employment growth in the state continued to expand at a brisk pace in April, adding 46,100 jobs from March. The gain had a seasonal flavor, but even after adjustment for the normal seasonal expansion, the total rose 20,300. Over the year, total employment in the state was up 118,900. Nationally the civilian job total added 2.6 percent year to year, but the increase in Washington State was 5.6 percent.

Lowest April Unemployment Since 1969

Reflecting expanded employment opportunities, unemployment in the state fell from 169,500 and 7.4 percent of the labor force in March to 150,000 and 6.5 percent in April. The April rate was the lowest for that month in 19 years, since 1969. On a seasonally adjusted basis, the rate fell from 6.9 to 6.4 percent over the month.

State Again Leads Nation

While economic development efforts are still required, especially outside of the Puget Sound area, it is interesting to see how far the state's economy has come in the past five years. In April 1983, an estimated 244,500 workers were unemployed, or 94,500 more than in April this year. The jobless rate then was

11.8 percent compared with 6.5 percent this April. The outlook then was bleak. Aerospace and lumber employment were both in a slump, work on nuclear plants was being terminated and default on the bonds issued to construct them loomed. Employment growth in the state was expected to lag that of the nation for the rest of the decade rather than lead it as it had in the 70s. And job growth in the state was slower than in the nation in 1983 through 1985. In 1986, however, the state's economy was again leading that of the nation. Since April 1983, total employment in the state has increased 345,300 or 19 percent. Nationally, employment was up 15.2 percent over the five year period ending April 1988.

INDUSTRY DEVELOPMENTS

Agriculture Leads Expansion

The beginning of the asparagus harvest in Eastern Washington resulted in several thousand new farm jobs. Farm workers were also busy on the west side picking daffodils and tulips and pulling field rhubarb, while preharvest work accelerated throughout the state. Nonfarm employment jumped 24,800 in April. Here too, the asparagus harvest contributed with large gains in food processing and at vegetable warehouses.

Manufacturing Job Growth Vigorous

Manufacturing employment rose 4,900 from March to April, and while much of the gain was seasonal, manufacturing employment was up 19,100 over the year in April. Moreover, the relative expansion in manufacturing of 6.2 percent in the 12-month period exceeded growth in the nonmanufacturing industries of 4.4 percent. Significantly, the expansion has been broadly based, not just in aerospace. Aerospace (up 8,200) posted the largest year-to-year increase, but 10,900 jobs were added in other manufacturing industries. Sizable year-to-year gains were credited to lumber (up 1,300), aluminum (up 1,100), machinery (up 1,700), "other transportation equipment" (up 1,600), food products (up 2,100), and printing-publishing (up 1,200).

Asparagus--The Long Green

Food plants added 3,100 workers in April to begin processing this year's asparagus crop. Washington State ranks second in the production of asparagus and accounts for well over one-third of the nation's total. The year-to-year increase of 2,100 jobs in food products, however, is favorably influenced by

season timing. In March the year-to-year increase was 1,100, which is probably a more realistic measure of growth in the industry.

Lumber Employment Holds Up Well

Lumber and wood products employment increased 600 in April. Even with the settlement of a labor dispute, the gain was somewhat less than normal for this time of the year. The exceptionally mild winter, however, resulted in fewer layoffs then and consequently fewer recalls this spring. Industry employment continues to lead its year-ago level (up 1,300) despite a decline in lumber production resulting from fewer housing starts this year. Year-to-date production of dimension lumber through the week ended May 21, 1988 was down 13.6 percent over the year in western Oregon and Washington according to the Western Wood Products Association. However, production was 114 percent of the similiar period in 1979, which was a strong year for the industry. Log exports remain brisk and are probably the major reason for the year-to-year employment gain. In addition, lumber mills are now more automated, and cutbacks in production do not produce as large a reduction in jobs as when the industry was more labor intensive.

In other manufacturing industries, stone-clay-glass added 200 in April with seasonal demand from the construction industry picking up. Greater activity in construction also helped boost fabricated metals payrolls 200. The end of a temporary layoff at one plant to modernize equipment was also a factor.

Aerospace Jobs Growing Slowly

Aerospace added 200 workers in April. Expansion in the industry has slowed considerably from last year, but judging by Boeing's growing backlog of orders, there is little likelihood of a cutback in the near future. "Other Transportation equipment" also added 200 jobs in April; all of the increase was in boatbuilding and the miscellaneous category (trucks, trailers, etc.). Shipbuilding was down because of the final shutdown of Lockheed.

Hanford Cutback Showing Up

Chemicals was the only manufacturing industry to show a loss in April or over the year. Employment in the industry fell 200 in April and was 1,000 below its year-ago level because of cutbacks at Hanford. Further cutbacks will occur because of the decision to end plutonium production on the Hanford Nuclear Reservation.

Restaurants Up Seasonally

Retail trade led the expansion in the nonmanufacturing industries in April with a gain of 6,300. Eating and drinking places alone accounted for 2,900 additional jobs, or about 45 percent of the total, as improving weather encouraged people to take short trips or eat out after work. Food stores also posted a substantial gain as usual for this time of the year. Other largely seasonal increases were noted at building material-garden supply stores, gasoline service stations, and apparel stores. Wholesale trade payrolls moved up 1,400 in April to support the expanding retail sector and because of an expansion at vegetable warehouses where asparagus was being packed and shipped.

Growing Sales Boost Jobs In Trade

Over the year, the number of retail trade jobs increased 15,900, or 4.8 percent, with gains in nearly all sectors. The expansion, of course, reflects population growth and the increase in purchasing power created by an expanding economy. Wholesale trade employment rose 3,700 year-to-year in response to the growth on the retail level.

One of Three New Jobs In Services

Employment in the services industries rose 5,400 in April helped by seasonal expansion in several activities. Long-term growth in the industry, however, continues to outpace the overall expansion in the economy. Service employment has increased 29,500 over the year to account for one out of every three new nonfarm jobs in the state's economy. Medical services alone rose 8,300 due to a growing elderly population and presumably more families covered by prepaid medical plans because of increasing employment. Business services added about 9,200 jobs over the year in response to the needs of an expanding business community for data processing services, janitorial services, advertising, credit reporting, equipment leasing, protective services and personnel. Personnel supply agencies alone added almost 3,400 workers over the year. A growing tendency has been reported to hire permanent workers to handle the regular workload and to contract for workers needed for special projects and seasonal work.

Several service industries expanded in April including agricultural services where lawn and garden business picked up; hotels and motels added staff with more tourist activity; firms offering income tax preparation services were at their annual peak; social services also expanded

with employment growth increasing the need for child care services, and business and medical services continued their long-term growth trend.

Construction Going Up--Outlook Uncertain

Construction employment rose 5,400 between March and April and was up a heady 9,500 (11 percent) over the year. Both the over-the-month and over-the-year comparisons, however, may have benefited from faster seasonal growth this year. The increase from March was led by street and highway construction, but employment in road building was down slightly over the year. Nonresidential construction and special trade contractors (electrical, plumbing, painting, etc.) led the over the year expansion. Residential construction employment was up more modestly, but the outlook for homebuilding is uncertain in the months ahead.

Housing units authorized in the state totaled 37,600 in 1987 but were over 41,000 units (seasonally adjusted annual rate) in the final two quarters of the year. In the first quarter of this year, however, they fell to 36,000 units because of higher interest rates. Unfortunately, interest rates climbed again this spring. Nationally, the average rate on a 30-year conventional mortgage rose from less than ten percent at the end of March to 10.32 percent in the week ending May 6.

Government Payrolls Down in April

Civilian government payrolls dipped 400 in April as a seasonal increase in outdoor employment was more than offset by a seasonal decline in public education. With the school year approaching an end, fewer workers who leave are replaced. Over the year, government employment rose only 2,100 with a drop on the federal level of 1,400 and a gain of 3,500 (1.2 percent) on the state and local level. Education rose 2,300 because of higher enrollments and accounted for most of the new state and local jobs.

AREA TRENDS

The Two Washington's

Washington State's economy as a whole is strong and vigorous judged by statewide statistics. Statewide data, however, mask local problems. The state's growth since the last recession has largely occurred in the Seattle, Tacoma, Olympia and Vancouver metropolitan areas and that trend is continuing. In those four Western Washington metropolitan areas, the combined jobless rate in April was 5.6 percent compared with 8.1 percent

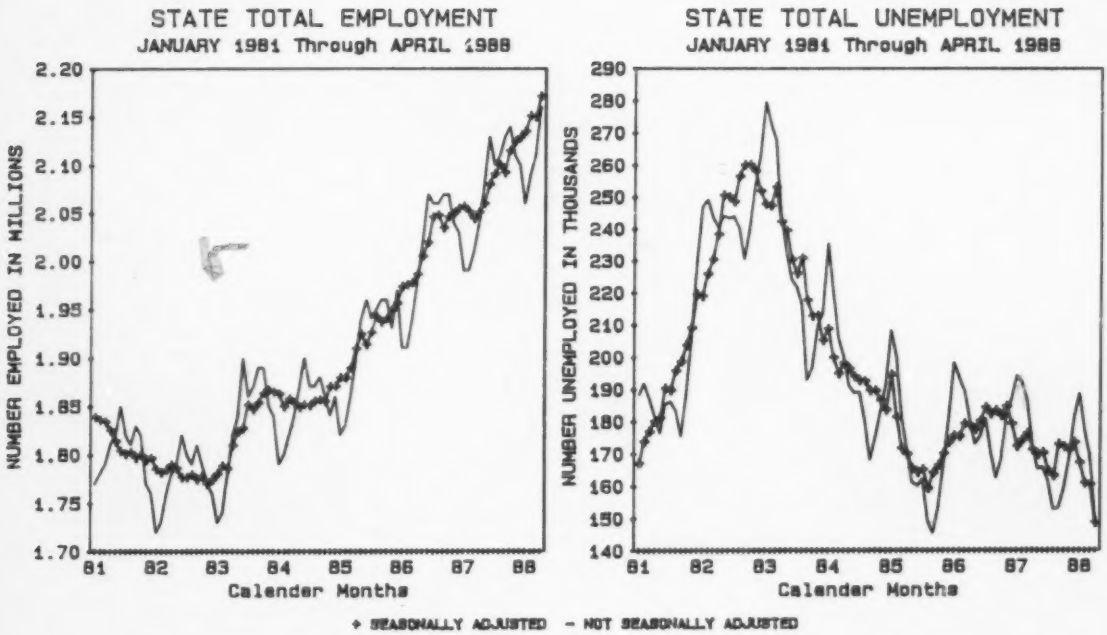
for the remainder of the state. Even the 8.1 percent rate hides wide disparities. In 11 of the state's 39 counties the April jobless rate was over ten percent with Pend Oreille County topping the list at 17.5 percent. Moreover, the uneven distribution of job growth in the state does not appear to be changing. The Seattle, Tacoma, Olympia and Vancouver metropolitan areas with 60 percent of the state's population in 1987 accounted for 75 percent of the job growth between's April 1987 and 1988.

Eastern Washington Leads April Upturn

As usual in April Eastern Washington led the expansion because of the asparagus harvest, related food processing, packing and shipping. Employment east of the Cascades rose 4.2 percent between March and April and the unemployment rate dropped from 10.4 to 8.4 percent. In Western Washington employment rose a more moderate 1.6 percent and the jobless rate fell from 6.6 to 5.9 percent.

Changes in employment and unemployment were especially large in areas raising and processing asparagus. Many of these jobs were filled by migrant workers from other states so the drop in unemployment was less than the increase in employment. Nevertheless, unemployment declined substantially. In Columbia County employment jumped from 1,680 to 3,030 over the month, while the jobless rate sank from 20.4 to 7.6 percent. In Yakima County employment rose nearly eight percent, while its unemployment rate fell from 13.8 to 11.0 percent. Grant County saw its job total rise 11 percent, and its unemployment rate fall from 14.1 to 9.4 percent.

In the state's major metropolitan areas, which are less influenced by agriculture, changes were more moderate. The jobless rate in the Seattle Metropolitan Area fell from 5.7 to 5.2 percent between March and April; Tacoma's rate slipped from 7.2 to 6.8 percent, while Spokane's rate dropped from 7.3 to 6.3 percent.



INDUSTRY NOTES

Billion Dollar Orders for Boeing

In May, The Boeing Company received three firm orders for 180 jetliners valued at nearly $7 billion and purchase options for another 104 jets worth $4.2 billion. The new orders are not expected to boost employment at Boeing but should offset the likely decline in military business in subsequent years. Many of the aircraft ordered were for Boeing 757s which will largely be used to replace aging 727s and 737s. The 757 is 25 percent more fuel efficient than comparable aircraft, is quieter, and can be flown by a crew of two rather than the three required for 727s and 737s.

The largest order was from International Lease Finance Corp (ILFC). The company placed firm orders for 100 aircraft and took options for 24 more. With options, the order was valued at $4.6 billion. Deliveries on the firm orders will extend from April 1989 through December 1995. A major reason for placing the order now was replacement needs and crowded production lines. According to an ILFC spokesman, all aircraft manufacturing is booked up until 1991, and by 1993, about 53 percent of all commercial jets will be more than 20 years old.

The other two large orders were from American Airlines and United Airlines. American Airlines ordered fifty 757s and took options on 50 more. With options the order was valued at up to $4.2 billion. Delivery of the planes will begin in 1989. United Airlines ordered thirty 757s and placed options for 30 more. The order, including options was valued at over $2 billion. Deliveries on the firm orders from United will begin in August 1989 and continue through 1991.

Bremerton Shipyard Cuts Possible

An unpublished Navy planning document shows estimates of employment at the Puget Sound Naval Shipyard falling from 11,400 now to 8,500 in the fall of 1990 and then climbing back to 10,000 in 1991. The projections are based on ship repair and modernization assignments. U.S. Representative Norm Dicks, however, said that while planning documents have some substance, he does not expect cuts as dramatic as those forecast. According to Dicks, the Bremerton shipyard is in a very secure position because it is the only one on the West Coast which overhauls nuclear submarines and carriers, which is a critical requirement. A spokesman for the shipyard said that Bremerton is not the only yard where there will be wide swings in employment. He noted that the upturn forecast in 1991 coincides with the shipyard's scheduled major overhaul of the aircraft carrier Carl Vinson.

Kaiser Workers Regain Some Pay Losses

A tentative agreement between the United Steelworkers union and Kaiser Aluminum and Chemical Corp. carries a $1,000 signing bonus and an increase in base pay of 50 cents an hour. The proposed contract would restore three paid holiday suspended three years ago and adds a cost-of-living adjustment in the second year. The contract also provides for quarterly bonuses based on the mid-west price of aluminum ingots. A maximum of $2 an hour would be paid when aluminum prices are 81 cents a pound or over. No bonus would be paid when aluminum prices are 53 cents a pound or less. Aluminum prices are now over $1 per pound.

Kaiser has three plants in Washington: one in Tacoma and two in Spokane County. If the contract is approved by union members, it will run through October 1990.

Lower Dollar Hurts Lynnwood Firm

The decline in the value of the dollar relative to foreign currencies has helped exporters but not importers. Carver Corp., a Lynnwood firm, which designs, develops and markets high fidelity audio components, terminated 65 employees in May because of a $264,000 loss in the first quarter. About 43 percent of the 1987 products sold by Carver were made in Japan. Presumably, the cost of those products increased as the value of the dollar declined. A company spokesman said that the firm has intensified its marketing and research and development efforts to turn the company around.

NATIONAL INDICATORS

Full Ahead

Major national economic indicators continued on a positive track. Factory orders and industrial output posted strong gains; the Gross National Product (GNP) advanced more than expected in the first quarter as the trade deficit declined, and the Index of Leading Economic Indicators rose for the third consecutive month in April.

Factories Humming

Orders for manufactured goods rose 1.6 percent in April following a 1.6 percent gain in March and a no change in February, according to the U.S. Department of Commerce. In the first four months of this year, factory orders were up 9.9 percent from the comparable period in 1987. Separately the Federal Reserve reported industrial production rose 0.7 percent in April to underscore the expansion in manufacturing. Over the year, production was up 6.2 percent in the nation's mines, utilities and factories. April production at 82.7 percent of capacity was at its highest level since March 1980.

GNP Up Strongly

Growth in the Gross National Product (GNP), a measure of the nation's output of goods and services, for the first quarter was revised up to 3.9 percent by the Commerce Department. The increase was down from 4.8 percent in the final quarter of 1987, but the gain in the fourth quarter largely resulted from a build up in inventories. Many analysts expected little growth in the GNP, believing production would slow in the first quarter as inventories were worked off. That didn't occur. A large part of the inventory buildup was in imported goods, which did not impact domestic production.

Nearly one-half of the expansion in the GNP for the first quarter resulted from an improvement in the trade deficit. Exports rose at a 20.7 percent rate, while imports rose 3.4 percent, measured in 1982 dollars and seasonally adjusted. Consumer spending also rebounded 4.3 percent in the first quarter after declining in the fourth quarter. Residential investment, however, declined 2.4 percent because of rising interest rates.

Purchasing Agents Predict Strong Economy But Rising Prices

The National Association of Purchasing Management in its semiannual economic poll found that its members expected a better economy in 1988 than in 1987 by a seven to one margin. Major reasons cited for the improvement were growth in exports and increased capital spending. The manufacturers represented by the group were operating at their highest capacity rate since May 1979. The association has 30,000 members.

Along with an expanding economy for 1988, however, the purchasing managers also predicted an increase in the rate of inflation. Average prices are expected to increase 5.8 percent this year by the group. In April, the U.S. Consumer Price Index, all items, urban consumers, was up 3.9 percent over the year.

Leading Indicators Edge Higher

The Index of Leading Economic Indicators, the government's main gauge of future economic activity, edged up 0.2 percent in April following increases of 0.2 percent (revised) in March and 1.5 percent in February. Leading indicators pushing the index forward in April were an increased workweek for manufacturing production workers, fewer initial claims for unemployment benefits, an advance in the business delivery index, higher prices for industrial materials, and growth in the money supply. Orders for consumer goods were slightly negative, but the main factors checking the advance in the index were a decline in building permits and stock market prices. Stock prices have shown wide swings since their initial recovery from the sell-off in October but no apparent trend. Building permits have declined because of rising mortgage rates.

CONSUMER PRICE INDEX
(All Items, Urban Consumers, 1982-1984=100)**

	INDEXES			PERCENT CHANGE Year Ending	
	Apr. 1988	Mar. 1988	Apr. 1987	Apr. 1988	Mar. 1988
U.S. City Average	117.1	116.5	112.7	3.9	3.9
	July-Dec. 1987	July-Dec. 1986		July-Dec. '86 to July-Dec. '87	
Seattle*	110.3	106.7		3.4	

* The index for Seattle reflects prices in King, Pierce and Snohomish counties.

** The base period for the index has been changed from 1967=100 to 1982-1984=100. The conversion factors for the All Items, Urban Consumers Indexes on the 1967=100 base are U.S=0.3338279, Seattle=0.3280421.

Source: U.S. Department of Labor, Bureau of Labor Statistics

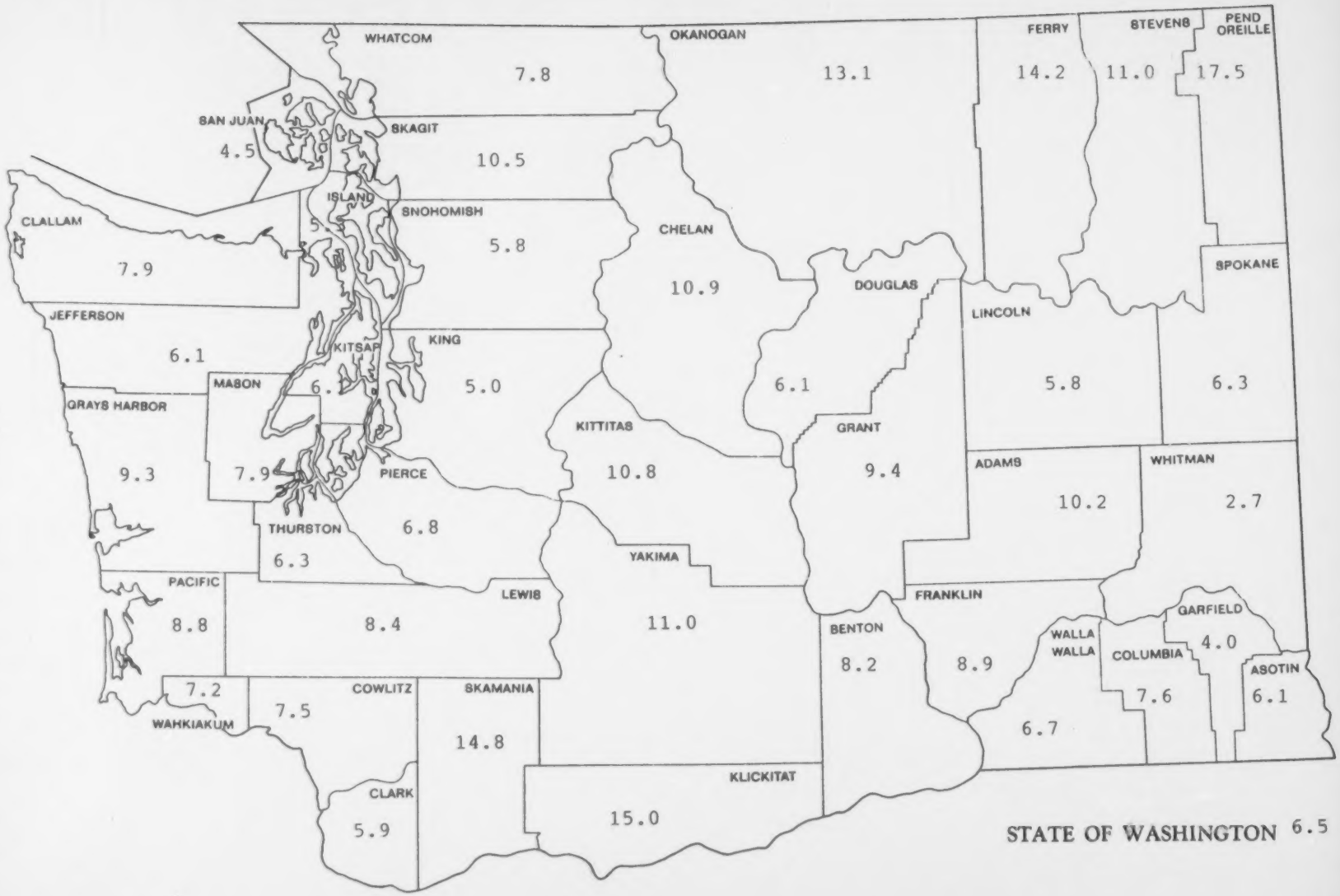
NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/
(In Thousands)

NOT SEASONALLY ADJUSTED Industry	April 1988 (PREL.)	March 1988 (REV.)	April 1987 (REV.)	March 1987 (REV.)	Numerical Change Apr. 1988 to Mar. 1988	Numerical Change Apr. 1987 to Apr. 1988
TOTAL NONAG. WAGE AND SALARY.....	1901.1	1876.4	1815.1	1792.2	24.7	86.0
MANUFACTURING.....	328.9	324.0	309.8	306.1	4.9	19.1
Durable Goods.....	232.5	230.8	216.8	214.9	1.7	15.7
Lumber & Wood Products.....	40.2	39.6 _3/	38.9	38.1	0.6	1.3
Furniture & Fixtures.....	3.7	3.7	3.6	3.7	0.0	0.1
Stone, Clay & Glass.....	6.5	6.3	6.3	6.0	0.2	0.2
Primary Metals.....	12.0	11.9	10.8	10.8	0.1	1.2
Aluminum.....	8.2	8.2	7.1	7.0	0.0	1.1
Fabricated Metals.....	10.5	10.3	9.8	9.7	0.2	0.7
Machinery.....	30.6	30.6	28.9	28.5	0.0	1.7
Machinery (Exc. Elec.)...	17.4	17.4	15.9	15.6 _3/	0.0	1.5
Electrical Equip.....	13.2	13.2	13.0	12.9	0.0	0.2
Transportation Equip.....	113.1	112.7	103.3	103.1	0.4	9.8
Aerospace.....	98.4	98.2	90.2	89.6	0.2	8.2
Other Transp. Equip.....	14.7	14.5	13.1 _3/	13.5 _3/	0.2	1.6
Instruments & Related.....	10.9	10.8	10.6	10.5	0.1	0.3
Misc. Manufacturing.....	5.0	4.9	4.6	4.5	0.1	0.4
Nondurable Goods.....	96.4	93.2	93.0	91.2	3.2	3.4
Food & Kindred Products....	33.5	30.4	31.4	29.3	3.1	2.1
Canned & Preserved Foods.	13.1	9.9	11.4	9.5	3.2	1.7
Apparel & Allied Products..	6.1	6.0	5.6	5.8	0.1	0.5
Paper & Allied Products....	16.4	16.4	16.3	16.4	0.0	0.1
Printing & Publishing.....	20.9	20.8	19.7	19.7	0.1	1.2
Chemicals & Allied Products	10.7	10.9	11.7	11.6	-0.2	-1.0
Other Nondurable Goods 2/.	8.8	8.7	8.3	8.4	0.1	0.5
MINING & QUARRYING	3.3	3.2	2.9	2.8	0.1	0.4
CONSTRUCTION.....	92.6	87.2	83.1	80.1	5.4	9.5
TRANSP.,COMM. & UTIL.....	100.7	99.6	95.6	95.0	1.1	5.1
WHOLESALE & RETAIL TRADE.....	461.5	453.8	441.9	435.6	7.7	19.6
Wholesale Trade.....	112.0	110.6	108.3	106.9	1.4	3.7
Retail Trade.....	349.5	343.2 _3/	333.6	328.7 _3/	6.3	15.9
FIN. INS. & REAL ESTATE.....	107.7	107.1	106.9	106.0	0.6	0.8
SERVICES.....	442.3	436.9	412.8	407.5	5.4	29.5
Health Services.....	135.4	134.6	127.1	126.8	0.8	8.3
GOVERNMENT.....	364.1	364.6	362.1	359.1	-0.5	2.0
Federal.....	69.4	69.0	70.8	69.3	0.4	-1.4
State & Local.....	294.8	295.6	291.3	289.8	-0.8	3.5
Education.....	158.7	159.5	156.4	158.7	-0.8	2.3
WORKERS IN LABOR-MANAGEMENT DISPUTES.....	0.0	0.2	0.8	1.2	-0.2	-0.8

_1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

_2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

_3/ Workers excluded because of involvement in labor-management disputes.



STATE OF WASHINGTON 6.5

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

DATE 6/1/88
Benchmark: 1987

RESIDENT LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE AND LABOR MARKET AREAS

(Not Seasonally Adjusted)

	APRIL 1988 PRELIMINARY 1/				MARCH 1988 REVISED 1/				APRIL 1987 REVISED			
	Labor Force	Employment	Unemploy-ment	Unemp. Rate	Labor Force	Employment	Unemploy-ment	Unemp. Rate	Labor Force	Employment	Unemploy-ment	Unemp. Rate
Washington State total	2,315,600	2,165,600	150,000	6.5	2,289,000	2,119,500	169,500	7.4	2,219,300	2,046,700	172,600	7.8
Bellingham MSA	60,500	55,800	4,700	7.8	59,500	54,200	5,300	8.9	57,200	52,400	4,800	8.4
Bremerton MSA	73,600	69,100	4,500	6.1	73,000	68,100	4,900	6.7	71,700	67,400	4,300	6.0
Olympia MSA	76,100	71,300	4,800	6.3	75,600	70,300	5,300	7.0	73,000	67,500	5,500	7.5
Seattle PMSA	1,035,800	982,300	53,500	5.2	1,030,200	971,800	58,400	5.7	983,200	922,900	60,300	6.1
King County 2/	821,800	780,800	41,000	5.0	816,800	772,400	44,400	5.4	780,200	733,600	46,600	6.0
Snohomish County 2/	214,000	201,500	12,500	5.8	213,400	199,400	14,000	6.6	203,000	189,300	13,700	6.7
Spokane MSA	167,800	157,300	10,500	6.3	167,800	155,500	12,300	7.3	163,900	151,600	12,300	7.5
Tacoma PMSA	249,100	232,200	16,900	6.8	245,800	228,000	17,800	7.2	234,800	214,400	20,400	8.7
Tri-Cities MSA	68,000	62,300	5,700	8.4	66,600	60,000	6,600	9.9	70,300	64,100	6,200	8.8
Benton County 2/	52,200	47,900	4,300	8.2	50,900	46,200	4,700	9.2	53,800	49,300	4,500	8.4
Franklin County 2/	15,800	14,400	1,400	8.9	15,700	13,800	1,900	12.1	16,500	14,800	1,700	10.3
Vancouver PMSA	114,500	107,700	6,800	5.9	112,600	104,900	7,700	6.8	108,600	99,700	8,900	8.2
Yakima MSA	91,000	81,000	10,000	11.0	87,100	75,100	12,000	13.8	87,700	76,900	10,800	12.3
Adams	6,770	6,080	690	10.2	6,580	5,780	800	12.2	6,260	5,650	610	9.7
Asotin	9,000	8,450	550	6.1	8,930	8,290	640	7.2	8,460	7,730	730	8.6
Clallam	23,030	21,210	1,820	7.9	22,570	20,410	2,160	9.6	22,330	20,300	2,030	9.1
Columbia	3,280	3,030	250	7.6	2,110	1,680	430	20.4	3,040	2,790	250	8.2
Cowlitz	35,800	33,130	2,670	7.5	35,190	32,150	3,040	8.6	35,090	31,200	3,890	11.1
Ferry	2,670	2,290	380	14.2	2,680	2,200	480	17.9	2,500	2,160	340	13.6
Garfield	1,000	960	40	4.0	1,030	930	100	9.7	1,070	980	90	8.4
Grant	24,240	21,960	2,280	9.4	22,960	19,720	3,240	14.1	23,810	21,010	2,800	11.8
Grays Harbor	25,250	22,890	2,360	9.3	25,000	22,350	2,650	10.6	25,990	23,040	2,950	11.4
Island	18,690	17,700	990	5.3	18,500	17,480	1,020	5.5	18,200	17,130	1,070	5.9
Jefferson	7,720	7,240	480	6.2	7,480	6,920	560	7.5	7,610	7,060	550	7.2
Kittitas	11,070	9,870	1,200	10.8	11,330	9,920	1,410	12.4	11,310	9,890	1,420	12.6
Klickitat	7,860	6,680	1,180	15.0	7,750	6,280	1,470	19.0	7,310	5,520	1,790	24.5
Lewis	25,210	23,090	2,120	8.4	24,540	22,020	2,520	10.3	23,930	21,130	2,800	11.7
Lincoln	3,990	3,760	230	5.8	3,900	3,620	280	7.2	4,140	3,870	270	6.5
Mason	12,470	11,480	990	7.9	12,280	11,200	1,080	8.8	12,470	11,380	1,090	8.7
Okanogan	15,190	13,200	1,990	13.1	15,030	12,490	2,540	16.9	14,530	12,460	2,070	14.2
Pacific	6,220	5,670	550	8.8	6,030	5,420	610	10.1	6,350	5,690	660	10.4
Pend Oreille	3,020	2,490	530	17.5	3,030	2,470	560	18.5	3,050	2,430	620	20.3
San Juan	5,370	5,130	240	4.5	4,930	4,620	310	6.3	4,750	4,450	300	6.3
Skagit	32,700	29,280	3,420	10.5	32,460	28,600	3,860	11.9	31,420	27,560	3,860	12.3
Skamania	2,570	2,190	380	14.8	2,210	1,740	470	21.3	2,650	2,160	490	18.5
Stevens	11,440	10,180	1,260	11.0	11,330	9,840	1,490	13.2	11,240	9,740	1,500	13.3
Wahkiakum	1,110	1,030	80	7.2	1,100	990	110	10.0	1,190	1,050	140	11.8
Walla Walla	24,460	22,810	1,650	6.7	23,470	20,950	2,520	10.7	23,880	21,940	1,940	8.1
Wenatchee Labor Area	40,210	36,430	3,780	9.4	39,850	35,430	4,420	11.1	37,740	33,480	4,260	11.3
Chelan County 2/	27,660	24,650	3,010	10.9	27,680	23,970	3,710	13.4	25,750	22,660	3,090	12.0
Douglas County 2/	12,550	11,780	770	6.1	12,160	11,450	710	5.8	12,000	10,830	1,170	9.8
Whitman	18,830	18,320	510	2.7	18,590	18,010	580	3.1	18,600	18,020	580	3.1

1/ Estimates provided here are for use as an economic time-series.

2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

(Not Seasonally Adjusted)

June 1, 1988
Benchmark: 1987

	APRIL 1988 PRELIMINARY 1/				MARCH 1988 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,318,800	2,173,400	145,400	6.3	2,302,600	2,132,600	170,000	7.4
Bellingham MSA	60,600	56,000	4,600	7.6	59,900	54,600	5,300	8.8
Bremerton MSA	73,800	69,400	4,400	6.0	73,400	68,500	4,900	6.7
Olympia MSA	76,300	71,600	4,700	6.2	76,000	70,700	5,300	7.0
Seattle PMSA	1,037,700	985,800	51,900	5.0	1,036,400	977,800	58,600	5.7
King County 2/	823,400	783,600	39,800	4.8	821,800	777,200	44,600	5.4
Snohomish County 2/	214,300	202,200	12,100	5.6	214,700	200,600	14,100	6.6
Spokane MSA	167,900	157,800	10,100	6.0	168,900	156,500	12,400	7.3
Tacoma MSA	249,400	233,100	16,300	6.5	247,300	229,500	17,800	7.2
Tri-Cities MSA	68,000	62,500	5,500	8.1	67,000	60,400	6,600	9.9
Benton County 2/	52,300	48,100	4,200	8.0	51,200	46,500	4,700	9.2
Franklin County 2/	15,700	14,400	1,300	8.3	15,800	13,900	1,900	12.0
Vancouver PMSA	114,700	108,100	6,600	5.8	113,300	105,600	7,700	6.8
Yakima MSA	91,000	81,300	9,700	10.7	87,500	75,500	12,000	13.7
Adams	6,770	6,110	660	9.7	6,620	5,820	800	12.1
Asotin	9,010	8,480	530	5.9	8,980	8,340	640	7.1
Clallam	23,050	21,280	1,770	7.7	22,700	20,530	2,170	9.6
Columbia	3,290	3,040	250	7.6	2,120	1,690	430	20.3
Cowlitz	35,830	33,250	2,580	7.2	35,400	32,350	3,050	8.6
Ferry	2,670	2,300	370	13.9	2,700	2,220	480	17.8
Garfield	1,010	970	40	4.0	1,040	940	100	9.6
Grant	24,250	22,040	2,210	9.1	23,100	19,850	3,250	14.1
Grays Harbor	25,270	22,980	2,290	9.1	25,150	22,490	2,660	10.6
Island	18,730	17,770	960	5.1	18,610	17,590	1,020	5.5
Jefferson	7,730	7,270	460	6.0	7,520	6,960	560	7.4
Kittitas	11,080	9,910	1,170	10.6	11,390	9,980	1,410	12.4
Klickitat	7,840	6,700	1,140	14.5	7,800	6,320	1,480	19.0
Lewis	25,220	23,170	2,050	8.1	24,680	22,150	2,530	10.3
Lincoln	4,000	3,780	220	5.5	3,920	3,640	280	7.1
Mason	12,480	11,520	960	7.7	12,360	11,270	1,090	8.8
Okanogan	15,170	13,240	1,930	12.7	15,110	12,560	2,550	16.9
Pacific	6,220	5,690	530	8.5	6,080	5,460	620	10.2
Pend Oreille	3,020	2,500	520	17.2	3,040	2,480	560	18.4
San Juan	5,390	5,150	240	4.5	4,970	4,650	320	6.4
Skagit	32,700	29,390	3,310	10.1	32,640	28,770	3,870	11.9
Skamania	2,560	2,190	370	14.5	2,220	1,750	470	21.2
Stevens	11,430	10,210	1,220	10.7	11,400	9,910	1,490	13.1
Wahkiakum	1,120	1,040	80	7.1	1,110	1,000	110	9.9
Walla Walla	24,490	22,890	1,600	6.5	23,610	21,080	2,530	10.7
Wenatchee Labor Area	40,230	36,560	3,670	9.1	40,080	35,650	4,430	11.1
Chelan County 2/	27,660	24,740	2,920	10.6	27,840	24,120	3,720	13.4
Douglas County 2/	12,570	11,820	750	6.0	12,240	11,530	710	5.8
Whitman	18,880	18,380	500	2.6	18,700	18,120	580	3.1

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	Prelim Apr Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Apr-88	Mar-88	Apr-87	Apr-88	Mar-88	Apr-87	Apr-88	Mar-88	Apr-87
TOTAL MANUFACTURING INDUSTRIES*	192,611	$466.87	$473.20	$482.00	39.7	40.0	40.0	$11.76	$11.83	$12.05
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	34,809	$437.78	$411.41	**$443.37	40.2	38.2	39.8	$10.89	$10.77	$11.14
Primary Metal Industries	9,363	$537.41	$556.86	$532.13	43.2	44.8	42.3	$12.44	$12.43	$12.58
Fabricated Metal Products	8,061	$439.88	$432.38	$443.92	39.1	38.4	39.6	$11.25	$11.26	$11.21
Machinery	14,920	$369.76	$371.05	$370.56	38.8	39.6	38.4	$9.53	$9.37	$9.65
Food and Kindred Products	24,504	$334.05	$359.56	$345.47	35.2	37.1	35.8	$9.49	$9.69	$9.65
Chemical and Allied Products	4,228	$577.38	$594.81	$618.80	41.9	42.7	42.5	$13.78	$13.93	$14.56
Transportation Equipment	48,810	$567.84	$590.64	$616.92	42.0	42.8	42.4	$13.52	$13.80	$14.55
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	66,708	$586.77	$584.50	$600.36	36.4	36.6	36.9	$16.12	$15.97	$16.27
Wholesale and Retail Trade (does not include eating and drinking establishments)	279,180	$314.25	$307.13	**$319.59	32.7	32.5	33.5	$9.61	$9.45	$9.54

* Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor-management disputes.

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Washington LABOR MARKET

June 1988

Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Gary Bodeutsch
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

Highlights

Strongest Economy Since 1979

Total employment in Washington State advanced 35,300 between April and May as the economy continued its spring expansion. The increase was greater than normal for this time of the year, and after seasonal adjustment, the job total moved up 7,000. Over the year, total employment in the state surged 121,200, or 5.8 percent, compared with a gain of 1.6 percent nationally. Reflecting the accelerating economy, the unemployment rate in the state fell to 6.2 percent in May, down from 6.6 percent (revised) in April and 7.4 percent in May 1987. The rate this May was the lowest since 1979.

Outlook Encouraging

Unlike 1979, we are not on the verge of slipping into a recession. The economy should continue to benefit from growth in exports because of the decline in the value of the dollar. Aerospace

Volume 12, Number 6

	May 1988* (Prel.)	Apr. 1988 (Rev.)	May 1987
Civilian Labor Force	2,348,800	2,321,600	2,247,500
Total Employment	2,203,500	2,168,200	2,082,300
Total Unemployment	145,300	153,400	165,200
State Unemployment Rate	6.2	6.6	7.4
National Civilian Unemployment Rate	5.4	5.3	6.1

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

is expected to continue to contribute to the expansion, although employment growth in the industry will be considerably lower than in 1987. Even agriculture will be a positive factor this year. Although the amount of water available for irrigation is still below normal, the drought has eased in Washington State. Meanwhile, a severe drought in the Midwest has forced up grain prices which will benefit Washington's grain farmers. The only negative factors are the strikes in the lumber industry which began in June, and the layoffs at the Hanford Nuclear Reservation.

INDUSTRY DEVELOPMENTS

Farm Workers Busy

Agriculture accounted for much of the job growth in May as the asparagus harvest approached its peak and thousands of other farm workers were thinning fruit, planting summer crops and busy in other preharvest activities. Nonfarm employment rose 16,300 in May and was up 82,900, or 4.5 percent, over the year.

Tourist Business Up

The asparagus harvest also contributed to the gain in nonfarm jobs as canneries and wholesale vegetable operations added workers to process the crop. The major increase, however, resulted from an expansion in tourist activity. Retail trade payrolls moved up 5,100 in May with over 60 percent of the increase at restaurants, while

gasoline stations also reported a sizable expansion. Other increases were noted at hardware stores, lumber yards, food stores and apparel outlets. Wholesale employment added 800 in May with the largest increases at vegetable wholesalers.

Over the year, employment in retail trade rose 14,900. Expansions were reported in all segments of the industry, but restaurants added about 4,400 jobs for nearly 30 percent of the total. Restaurants, of course, employ large numbers of youth, and while restaurant employment has grown rapidly in recent years, the youth population has not. As a result, "help wanted" signs are now a common sight at restaurants and other businesses which normally hire young workers. This development also partially accounts for the decline in the unemployment rate in recent years.

Hotels-Motels Add Workers

Added tourist business also helped boost employment in the service industries 3,000 in May. Hotels and motels were credited with about one-third of the new service jobs. Other large gains were noted in agricultural services (including lawn care and landscaping), amusements (golf, amusement parks, etc.), business services and health care. Employment dropped seasonally at ski resorts and firms which prepare income tax returns for a fee.

Business Services Expand Briskly

Service employment was up 29,000 over the year, representing over one-third of the new nonfarm jobs. Business services led the expansion with an increase of 8,900. Gains were centered in personnel supply services, accounting, and computer-data processing operations. Medical services continued its vigorous growth trend with a gain of 8,100. Health care clinics and facilities for specialized treatment accounted for a large share of the new jobs. Social services also posted a sizable year-to-year increase with expansions in child care services, at crisis clinics, and in drug abuse self-help programs.

Construction Expanding

Construction employment continued to expand despite some pull back in home building because of higher mortgage rates. Employment in the building trades was at its highest level in seven years in May, up 2,900 from April and 9,700 higher than in May 1987. All segments of the industry expanded in May, but the largest

over-the-year gains were in non-residential construction, except streets and highways.

Housing Starts Fall

Nationally, housing starts fell to an annual rate of 1,384,000 units in May. Housing starts totalled 1,620,500 in 1987, but many economists believe starts may drop to as low as 1,400,000 units in 1988 because of higher interest rates, high vacancy rates in apartment houses in some parts of the nation, and tax revisions in 1986 which eliminated some advantages of building multi-family dwellings. In Washington State residential construction employment was still moderately ahead of its year-earlier level, probably because of the exceptional strength in the state economy.

More Transportation Jobs

In other nonmanufacturing industries, transportation-communications-utilities employment rose 1,100 in May and 4,400 over the year. In both cases the increases largely occurred in transportation because of the growth in domestic business and foreign trade.

Fewer Stock Brokers

Finance, insurance, and real estate employment added 500 in May and was up 800 year to year. A seasonal expansion in real estate accounted for most of the gain in May, and nearly all of the over-the-year growth was in insurance and real estate. Employment at firms selling securities and commodity contracts declined year to year, which has been about the only impact from the stock market sell-off last October.

Fewer Federal Jobs This Year

Government civilian payrolls edged up 900 in May and 2,500 over the year. Federal civilian jobs rose 300 in May because of seasonal hiring by national parks and forests, while state and local government jobs increased 600 as hiring for seasonal outdoor work offset a decline in education payrolls. Employment in education normally drops in May: fewer workers who leave are replaced with the school year nearing an end. Over the year, federal civilian employment fell 1,500 with the major cutbacks at defense installations. State and local employment added 4,000 year to year with 2,100 of the new jobs in public education, up 1.3 percent. Public school enrollments, however, were up 1.9 percent between the 1986-1987 and 1987-1988 school years.

Growth Continues In Manufacturing	Manufacturing employment rose 2,000 in April and was up 17,700, or 5.7 percent, over the year in May. The major gains in May occurred in lumber (up 600) and food products (up 700). The increase in lumber was less than normal for May, but seasonal growth earlier in the year was greater than usual because of a mild winter and the need to rebuild inventories. Because of the high potential for forest fires last summer and fall, logging was restricted, resulting in a shortage of logs this winter.
Strike Hits Lumber Industry	Despite the below normal seasonal increase, lumber employment was up 600 over the year in May. Widespread labor disputes, however, reduced lumber employment sharply in June.
Food Products Payrolls Expanding	Food products payrolls continued to advanced in May as the processing of the asparagus crop neared its peak in Eastern Washington. Year-to-year growth (up 2,300) was largely due to the operation of new surimi plants, which produce imitation crab and shrimp from bottom fish.
Aerospace Up Again	Aerospace employment continues to expand, although at a slower pace than last year. The job total was up 300 from April and 7,800 over the year. Even without growth, however, the industry creates a substantial number of job openings because of the need to replace workers who retire or otherwise leave their jobs. In May, aerospace employment totaled 98,800 and accounted for nearly three out of every ten manufacturing jobs in the state.
Aluminum Industry Healthy	Aluminum employment was up 100 in May and 1,500 over the year. In May 1987, the refineries in Goldendale and Vancouver were both closed because of low prices and low demand for aluminum. Since then demand and prices have rebounded dramatically, and the two smelters have been reopened under new ownership. On June 27, 1988, the spot price for aluminum ingots in the Midwest was $1.30 to $1.40 per pound compared with $0.735 one year earlier. Because the industry is now operating at near capacity, however, the year-to-year employment growth will progressively narrow in subsequent months.

A Few Losses

A few minor cutbacks also occurred in manufacturing payrolls in May and over the year. Employment in nonelectrical machinery fell 300 in May with the loss largely occurring at one firm. Demand remains strong in the industry, but competitive pressure necessitated a reduction to keep costs under control. Even with the cutback in May, employment in the industry was up 1,000 over the year. Apparel employment dipped 100 in May, but employment remained up 300, or 5.3 percent, over the year. The decline in the value of the dollar has improved the competitive position of many domestic firms in this industry.

Chemicals employment was also down 100 in May, but here the loss was more significant. The loss reflected continued cutbacks on the Hanford Nuclear Reservation, which has dropped industry employment 1,000 over the year. Losses will continue because of the closure of the N Reactor.

AREA TRENDS

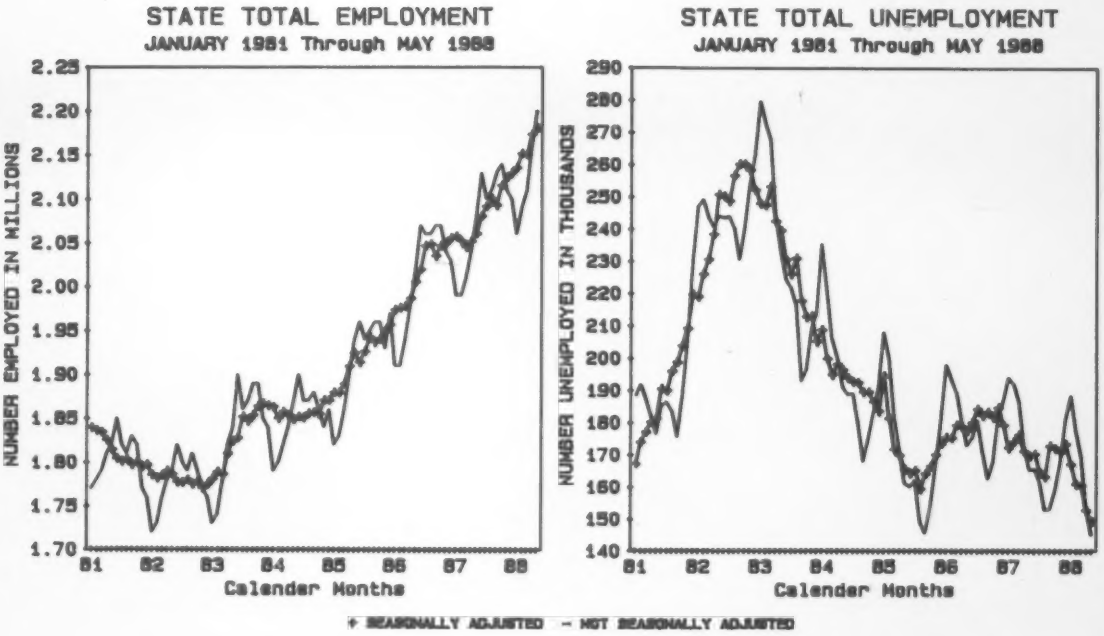
Unemployment Down Sharply in Eastern Washington

Eastern Washington led the downturn in unemployment as usual in the spring because of the strong upturn in agriculture. The unemployment rate east of the Cascades fell from 8.6 percent in April to 7.8 percent in May with employment advancing four percent as jobs related to the harvesting, preserving, packing and shipping of this year's asparagus harvest neared a peak. In Western Washington, the jobless rate dipped from 6.0 to 5.7 percent, largely because of gains in nonfarm industries.

Typical of the asparagus producing and preserving areas on the state's east side were Yakima, Grant, and Walla Walla counties. The unemployment rate in Yakima County fell from 11.3 to 9.9 percent between April and May; Grant County's rate dropped from 9.7 to 8.6 percent, while Walla Walla saw its rate decline from 7.0 to 5.3 percent.

The expansion in agriculture had less impact on the state's major metropolitan areas and reductions in unemployment were more modest there. The jobless rate in the Seattle Metropolitan Area slipped from 5.3 to 5.1 percent; Tacoma's rate fell from 6.8 to 6.5 percent, while the rate in the Spokane Metropolitan Area dipped from 6.4 to 6.1 percent.

The unemployment rate declined in nearly all counties of the state over the year. The largest decline, however, occurred in Klickitat County where the rate plunged from 21.9 percent in May 1987 to 12.2 percent this May. The improvement was largely due to the reopening of the aluminum refinery in Goldendale. The Vancouver Metropolitan Area, which also saw an aluminum refinery reopen, saw its jobless rate drop from 7.7 to 5.8 percent over the year.



INDUSTRY NOTES

More Orders For Boeing

Following record jetliner sales in May, The Boeing Company announced sales in June which pushed the total so far this year above the number sold in all of 1987. Japan Air Lines placed an order for 15 advanced 747-400s worth an estimated $2 billion. Sabena Belgian Airlines ordered 16 short-range 737s at a value of $475 million, while KLM, the Dutch airline, ordered three 737-400s for about $100 million.

At the end of June, orders for Boeing jetliners this year totaled 397 worth $17.74 billion. For all of 1987, Boeing sold 366 jets valued at $19.89 billion. Last year's sales included more 747s than sold during the first half of this year.

Strikes in Lumber Industry Spread

Contracts covering approximately 25,000 loggers and mill workers in the Pacific Northwest expired June 1. In late June about 7,400 were on strike as union members attempted to have wages and benefits restored that were lost in 1986 when the industry was in a recession. An agreement was reached with Bohemia Corp. in Oregon which would restore wages to 1986 levels by 1991. Negotiations are continuing between unions and the Weyerhaeuser Company, which involve wages and benefits for about 6,600 workers in the Pacific Northwest.

Log Shortage Looms

Beyond current difficulties in the lumber industry is an increasing shortage of timber available for harvest. Until young trees are old enough to harvest, 40 to 50 years from now, there will be fewer trees available for harvest on private lands. At the same time, more publicly-owned forest land is being set aside for recreation and environmental purposes. According to the U.S. Forest Service, management plans now under review would reduce the amount of timber harvested from federal forests in Washington and Oregon from about five billion board feet a year in 1987 to about four billion board feet.

Four Firms to Locate In Snohomish County

Four firms selected Snohomish County for new plant sites in June which could create up to 2,800 new jobs over the next decade. Digital Equipment Co. will build a research facility north of Woodinville for its DECwest engineering group. About 500 employees will move to the facility when it is completed in 1991. The company eventually plans to expand and employ up to 2,350 workers at the site.

Leviton Manufacturing Co. will build a plant near Bothell to produce telecommunications equipment which will employ approximately 200 workers. Sanken USA will employ 60 workers at a new $10 million plant which will manufacture computer floppy disks. Production will begin in November at a plant south of Everett. The firm eventually hopes to employ 120 people.

The fourth new firm, Bucher Aerospace of Switzerland, is expected to employ about 30 workers near Everett building aircraft food service equipment. The company's employment is expected to eventually increase to 150.

Yacht Firm For Pasco

A Vancouver, B.C. yacht manufacturer, World Class Yachts, announced that it would relocate its operations to the Port of Pasco on July 15. Approximately 20 employees will be involved in the company's initial tooling operation, but the firm projects $100 million in annual sales and a local work force of 500 by 1993. The firm builds high-speed luxury yachts which sell from $150,000 to $850,000. World Class Yachts signed a five-year lease for 43,000 square feet of warehouse space in June with the Port of Pasco.

Many Hanford Workers Choose Early Retirement And Voluntary Layoff

About 1,000 Westinghouse Hanford workers are eligible for an early retirement plan which will add three years to their length of service when pension benefits are calculated. Those eligible have until July 29 to take advantage of the program. By late June, 204 workers had signed up.

A voluntary layoff program is available to many other Hanford workers which provides monetary incentives based on years of service. The deadline for that program is also July 29. By June 29, a total of 345 workers volunteered for layoff.

Approximately 6,400 jobs will be eliminated at the Hanford Nuclear Reservation by the mid-1990s because of the decision by the Department of Energy to close the N Reactor.

NATIONAL ECONOMIC INDICATORS

Administration Boosts Forecast for 1988

National economic indicators remained on a positive track in April and May. And in response to the economy's surprising strength so far in 1988, the administration raised its forecast of Gross National Product (GNP) growth to 3.5 percent for 1988 compared with an earlier prediction of 2.9 percent. The forecast of average unemployment in 1988 was lowered from 5.8 to 5.5 percent. Before the GNP estimate for the first quarter 1988 was released showing an annualized growth rate of 3.6 percent, many economists believed the administration's forecast was too optimistic.

Trade Deficit Down

A major reason for the improved outlook is the nation's narrowing trade deficit. In April the merchandise trade deficit fell to $9.89 billion on a seasonally adjusted basis. According to the U.S. Trade Ambassador, the trade deficit has declined more than 32 percent, after adjustment for price changes, since the third quarter of 1986. Most analysts attributed the improvement to the decline in the dollar relative to foreign currencies. Since 1985, the value of the dollar has dropped 50 percent in terms of key foreign currencies, making U.S. goods less expensive abroad and foreign goods relatively more expensive in the U.S.

Consumers Optimistic

The Conference Board, a business-supported research group, reported that consumer confidence in May was at its highest level since December 1969. The Board attributed the growth in confidence to low unemployment rates, more overtime pay, and relatively low inflation. In the May survey, 9.4 percent of those responding said that they planned to buy a new car in the next six months, up from 9.1 percent in April; 35 percent said that they planned to buy a major appliance, unchanged from April; and three percent said that they planned to buy a new home, down from 3.5 percent in April.

Purchasing Agents Report Growth Continuing

The monthly survey of 250 purchasing managers by the Association of Purchasing Management indicated that the economy continued to expand in May. The Association found that production growth slowed slightly from April but that growth in new orders rose somewhat faster. Export business has been particularly strong in recent months.

The purchasing manager's index rose from 54.9 percent to April in 55.1 percent in May. Above 50 percent, the index indicates that the economy is expanding, and May marked the 22nd consecutive month the index was over that level. If the May index level holds for the remainder of the year, it would be consistent with an increase of 3.4 percent in the GNP, according to the Association.

Leading Indicators Down Slightly

The Index of Leading Economic Indicators, the government's main gauge of future economic activity, edged down 0.1 percent in May, its first decline since January. Most analysts, however, were not concerned by the drop. A decline in stock market prices largely accounted

for the drop in the index in May, but stock prices rebounded in June. Without the decline in stock prices, the index would have increased 0.1 percent in May.

Other leading indicators on the negative side in May besides stock market prices were the average workweek of manufacturing production workers, initial claims for unemployment insurance, plant and equipment orders and building permits. Leading indicators advancing in May included orders for consumer goods, the business delivery index, sensitive material prices and the money supply.

CONSUMER PRICE INDEX
(All Items, Urban Consumers, 1982-1984=100)**

	INDEXES			PERCENT CHANGE Year Ending	
	May 1988	Apr. 1988	May 1987	May 1988	Apr. 1988
U.S. City Average	117.5	117.1	113.1	3.9	3.9
	July-Dec. 1987	July-Dec. 1986		July-Dec. '86 to July-Dec. '87	
Seattle*	110.3	106.7		3.4	

* The index for Seattle reflects prices in King, Pierce and Snohomish counties.

** The base period for the index has been changed from 1967=100 to 1982-1984=100. The conversion factors for the All Items, Urban Consumers Indexes on the 1967=100 base are U.S=0.3338279, Seattle=0.3280421.

Source: U.S. Department of Labor, Bureau of Labor Statistics

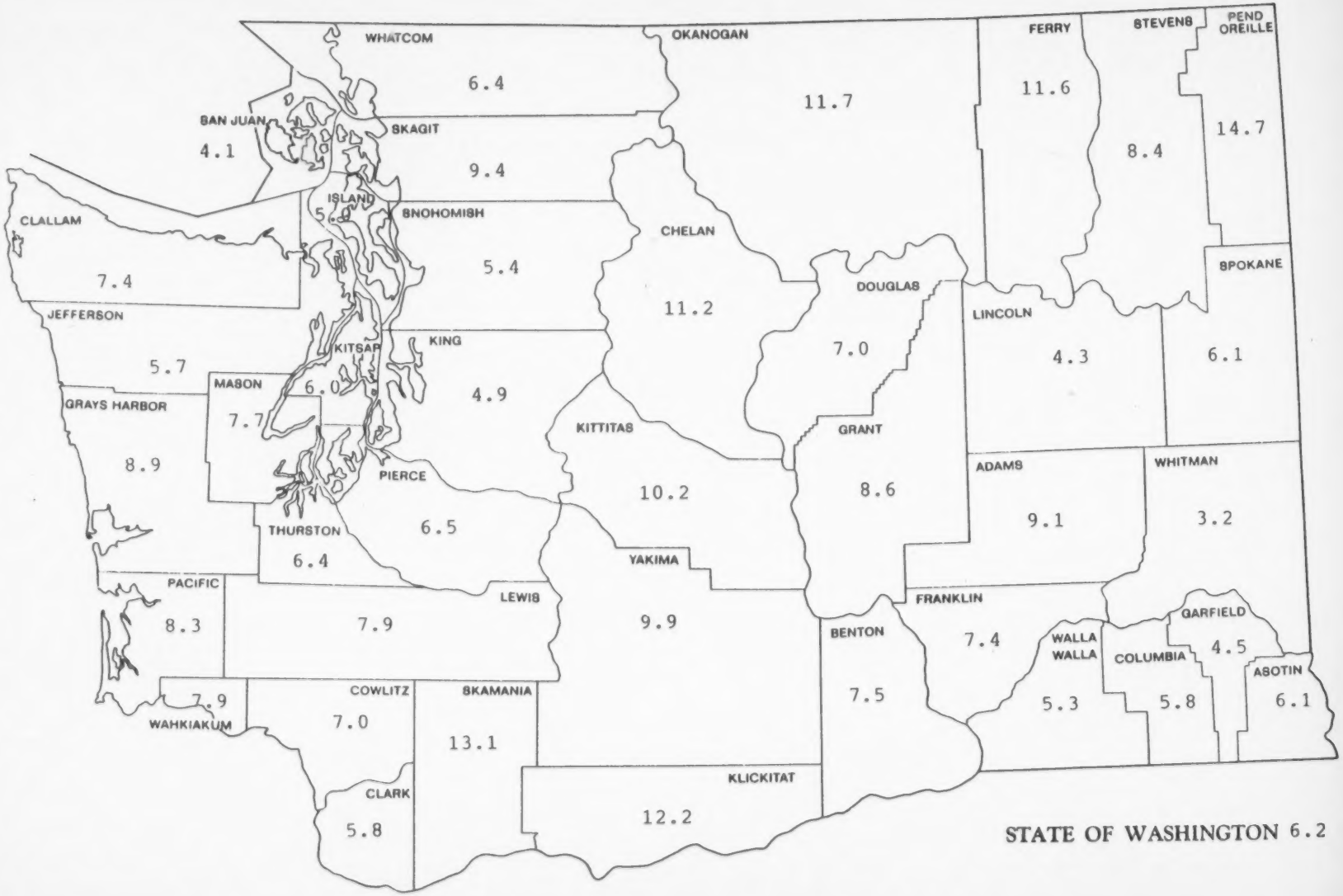
NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/
(In Thousands)

NOT SEASONALLY ADJUSTED Industry	May 1988 (PREL.)	April 1988 (REV.)	May 1987 (REV.)	April 1987 (REV.)	Numerical Change May 1988 to Apr. 1988	Numerical Change May 1987 to May 1988
TOTAL NONAG. WAGE AND SALARY.....	1919.5	1903.2	1836.6	1815.1	16.3	82.9
MANUFACTURING.....	330.8	328.8	313.1	309.8	2.0	17.7
Durable Goods.....	233.9	232.6	219.4	216.8	1.3	14.5
Lumber & Wood Products.....	40.7	40.1	40.1	38.9	0.6	0.6
Furniture & Fixtures.....	3.7	3.7	3.6	3.6	0.0	0.1
Stone, Clay & Glass.....	6.7	6.5	6.5	6.3	0.2	0.2
Primary Metals.....	12.2	12.1	10.7	10.8	0.1	1.5
Aluminum.....	8.4	8.3	6.9	7.1	0.1	1.5
Fabricated Metals.....	10.7	10.5	10.1	9.8	0.2	0.6
Machinery.....	30.4	30.6	29.2	28.9	-0.2	1.2
Machinery (Exc. Elec.)...	17.1	17.4	16.1 _3/	15.9	-0.3	1.0
Electrical Equip.....	13.3	13.2	13.1	13.0	0.1	0.2
Transportation Equip.....	113.5	113.2	103.9	103.3	0.3	9.6
Aerospace.....	98.8	98.5	91.0	90.2	0.3	7.8
Other Transp. Equip.....	14.7	14.7	12.9 _3/	13.1 _3/	0.0	1.8
Instruments & Related.....	11.0	10.9	10.7	10.6	0.1	0.3
Misc. Manufacturing.....	5.0	5.0	4.6	4.6	0.0	0.4
Nondurable Goods.....	96.9	96.2	93.7	93.0	0.7	3.2
Food & Kindred Products....	34.0	33.3	31.7	31.4	0.7	2.3
Canned & Preserved Foods.	13.4	12.8	11.6	11.4	0.6	1.8
Apparel & Allied Products..	6.0	6.1	5.7	5.6	-0.1	0.3
Paper & Allied Products....	16.5	16.4	16.4	16.3	0.1	0.1
Printing & Publishing.....	21.0	20.9	19.9	19.7	0.1	1.1
Chemicals & Allied Products	10.6	10.7	11.6	11.7	-0.1	-1.0
Other Nondurable Goods 2/.	8.8	8.8	8.4	8.3	0.0	0.4
MINING & QUARRYING	3.3	3.3	3.0	2.9	0.0	0.3
CONSTRUCTION.....	96.1	93.2	86.4	83.1	2.9	9.7
TRANSP.,COMM. & UTIL.....	102.0	100.9	97.6	95.6	1.1	4.4
WHOLESALE & RETAIL TRADE.....	468.2	462.3	449.7	441.9	5.9	18.5
Wholesale Trade.....	112.9	112.1	109.3	108.3	0.8	3.6
Retail Trade.....	355.3	350.2	340.4 _3/	333.6	5.1	14.9
FIN. INS. & REAL ESTATE.....	108.1	107.6	107.3	106.9	0.5	0.8
SERVICES.....	445.4	442.4	416.4	412.8	3.0	29.0
Health Services.....	135.9	135.4	127.8	127 1	0.5	8.1
GOVERNMENT.....	365.6	364.7	363.1	362.1	0.9	2.5
Federal.....	69.6	69.3	71.1	70.8	0.3	-1.5
State & Local.....	296.0	295.4	292.0	291.3	0.6	4.0
Education.....	158.3	158.8	156.2	156.4	-0.5	2.1
WORKERS IN LABOR-MANAGEMENT DISPUTES.....	0.0	0.0	0.8	0.8	0.0	-0.8

_1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

_2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

_3/ Workers excluded because of involvement in labor-management disputes.



STATE OF WASHINGTON 6.2

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT
IN WASHINGTON STATE AND LABOR MARKET AREAS

(Not Seasonally Adjusted)

DATE 6/28/88
Benchmark: 1987

	MAY 1988 PRELIMINARY 1/				APRIL 1988 REVISED 1/				MAY 1987 REVISED			
	Labor Force	Employment	Unemploy-ment	Unemp. Rate	Labor Force	Employment	Unemploy-ment	Unemp. Rate	Labor Force	Employment	Unemploy-ment	Unemp. Rate
Washington State total	2,348,800	2,203,500	145,300	6.2	2,321,600	2,168,200	153,400	6.6	2,247,500	2,082,300	165,200	7.4
Bellingham MSA	60,500	56,600	3,900	6.4	61,200	56,300	4,900	8.0	57,600	53,100	4,500	7.8
Bremerton MSA	73,900	69,500	4,400	6.0	73,800	69,200	4,600	6.2	72,800	68,500	4,300	5.9
Olympia MSA	76,400	71,500	4,900	6.4	76,300	71,400	4,900	6.4	73,700	68,600	5,100	6.9
Seattle PMSA	1,051,500	998,300	53,200	5.1	1,039,900	985,100	54,800	5.3	987,700	929,200	58,500	5.9
King County 2/	834,800	793,500	41,300	4.9	824,900	783,000	41,900	5.1	783,800	738,500	45,300	5.8
Snohomish County 2/	216,600	204,800	11,800	5.4	215,000	202,100	12,900	6.0	203,800	190,600	13,200	6.5
Spokane MSA	171,400	160,900	10,500	6.1	168,500	157,800	10,700	6.4	165,700	153,700	12,000	7.2
Tacoma PMSA	247,300	231,200	16,100	6.5	250,000	232,900	17,100	6.8	236,300	216,800	19,500	8.3
Tri-Cities MSA	70,700	65,400	5,300	7.5	68,000	62,300	5,700	8.4	73,500	67,100	6,400	8.7
Benton County 2/	54,400	50,300	4,100	7.5	52,200	47,900	4,300	8.2	56,400	51,600	4,800	8.5
Franklin County 2/	16,300	15,100	1,200	7.4	15,800	14,400	1,400	8.9	17,100	15,500	1,600	9.4
Vancouver PMSA	114,900	108,200	6,700	5.8	113,800	106,900	6,900	6.1	109,600	101.200	8,400	7.7
Yakima MSA	95,700	86,200	9,500	9.9	91,100	80,800	10,300	11.3	92,100	82,400	9,700	10.5
Adams	7,160	6,510	650	9.1	6,760	6,070	690	10.2	6,930	6,310	620	8.9
Asotin	9,130	8,570	560	6.1	8,760	8,180	580	6.6	8,540	7,840	700	8.2
Clallam	23,010	21,310	1,700	7.4	23,100	21.240	1,860	8.1	22,790	20.800	1.990	8.7
Columbia	3,450	3,250	200	5.8	3,310	3,040	270	8.2	3,240	3,020	220	6.8
Cowlitz	36,310	33,780	2,530	7.0	35,930	33,250	2,680	7.5	35,150	31,890	3,260	9.3
Ferry	2,760	2,440	320	11.6	2,720	2,340	380	14.0	2,560	2,310	250	9.8
Garfield	1,100	1,050	50	4.5	1,010	970	40	4.0	1,150	1,070	80	7.0
Grant	25,830	23,610	2,220	8.6	24,340	21,980	2,360	9.7	25,940	22,730	3,210	12.4
Grays Harbor	25,420	23,160	2,260	8.9	25,110	22,710	2,400	9.6	26,530	23,710	2,820	10.6
Island	19,180	18,220	960	5.0	18,690	17,680	1,010	5.4	18,580	17,510	1,070	5.8
Jefferson	7,770	7,330	440	5.7	7,740	7,250	490	6.3	7,820	7,280	540	6.9
Kittitas	11,500	10,330	1,170	10.2	11,510	10,060	1,450	12.6	11,490	10,330	1,160	10.1
Klickitat	8,190	7,190	1,000	12.2	7,860	6,680	1,180	15.0	7,850	6,130	1,720	21.9
Lewis	26,030	23,970	2,060	7.9	24,970	22,830	2,140	8.6	24,290	21,800	2,490	10.3
Lincoln	4,390	4,200	190	4.3	4,010	3,790	220	5.5	4,510	4,240	270	6.0
Mason	12,480	11,520	960	7.7	12,600	11,590	1,010	8.0	12,560	11,500	1,060	8.4
Okanogan	15,660	13,830	1,830	11.7	15,280	13,250	2,030	13.3	14,610	12,850	1,760	12.0
Pacific	6,510	5,970	540	8.3	6,400	5,830	570	8.9	6,510	5,880	630	9.7
Pend Oreille	3,060	2,610	450	14.7	3,040	2,500	540	17.8	3,020	2,550	470	15.6
San Juan	5,560	5,330	230	4.1	5,390	5,140	250	4.6	5,200	4,940	260	5.0
Skagit	32,620	29,540	3,080	9.4	32,760	29,280	3,480	10.6	32,030	28,450	3,580	11.2
Skamania	2,450	2,130	320	13.1	2,570	2,190	380	14.8	2,330	1,950	380	16.3
Stevens	11,600	10,630	970	8.4	11,460	10,190	1,270	11.1	11,480	10,210	1,270	11.1
Wahkiakum	1,140	1,050	90	7.9	1,130	1,040	90	8.0	1,140	1,040	100	8.8
Walla Walla	25,600	24,250	1,350	5.3	24,610	22,880	1,730	7.0	24,940	23,300	1,640	6.6
Wenatchee Labor Area	39,620	35,680	3,940	9.9	38,870	35,070	3,800	9.8	38,520	34,150	4,370	11.3
Chelan County 2/	27,210	24,150	3,060	11.2	26,740	23,730	3,010	11.3	26,290	23.110	3.180	12.1
Douglas County 2/	12,410	11,540	870	7.0	12,130	11,340	790	6.5	12,230	11,040	1,190	9.7
Whitman	18,980	18,370	610	3.2	18,910	18,370	540	2.9	18,790	18,090	700	3.7

1/ Estimates provided here are for use as an economic time-series.

2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

June 29, 1988
Benchmark: 1987

(Not Seasonally Adjusted)

	MAY 1988 PRELIMINARY 1/				APRIL 1988 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,346,200	2,207,900	138,300	5.9	2,324,200	2,175,700	148,500	6.4
Bellingham MSA	60,400	56,700	3,700	6.1	61,200	56,500	4,700	7.7
Bremerton MSA	73,800	69,600	4,200	5.7	73,900	69,500	4,400	6.0
Olympia MSA	76,300	71,600	4,700	6.2	76,400	71,600	4,800	6.3
Seattle PMSA	1,050,900	1,000,300	50,600	4.8	1,041,700	988,600	53,100	5.1
King County 2/	834,500	795,100	39,400	4.7	826,300	785,700	40,600	4.9
Snohomish County 2/	216,500	205,200	11,300	5.2	215,300	202,800	12,500	5.8
Spokane MSA	171,300	161,300	10,000	5.8	168,700	158,300	10,400	6.2
Tacoma MSA	247,000	231,600	15,400	6.2	250,400	233,800	16,600	6.6
Tri-Cities MSA	70,600	65,500	5,100	7.2	68,000	62,500	5,500	8.1
Benton County 2/	54,300	50,400	3,900	7.2	52,300	48,100	4,200	8.0
Franklin County 2/	16,300	15,100	1,200	7.4	15,800	14,400	1,400	8.9
Vancouver PMSA	114,800	108,400	6,400	5.6	114,000	107,300	6,700	5.9
Yakima MSA	95,400	86,300	9,100	9.5	91,100	81,100	10,000	11.0
Adams	7,140	6,520	620	8.7	6,750	6,090	660	9.8
Asotin	9,120	8,590	530	5.8	8,770	8,210	560	6.4
Clallam	22,980	21,360	1,620	7.0	23,110	21,310	1,800	7.8
Columbia	3,450	3,260	190	5.5	3,310	3,050	260	7.9
Cowlitz	36,260	33,850	2,410	6.6	35,960	33,370	2,590	7.2
Ferry	2,750	2,450	300	10.9	2,720	2,350	370	13.6
Garfield	1,100	1,050	50	4.5	1,010	970	40	4.0
Grant	25,770	23,660	2,110	8.2	24,350	22,060	2,290	9.4
Grays Harbor	25,350	23,200	2,150	8.5	25,120	22,790	2,330	9.3
Island	19,170	18,250	920	4.8	18,720	17,740	980	5.2
Jefferson	7,760	7,340	420	5.4	7,760	7,280	480	6.2
Kittitas	11,470	10,350	1,120	9.8	11,510	10,100	1,410	12.3
Klickitat	8,160	7,210	950	11.6	7,850	6,710	1,140	14.5
Lewis	25,980	24,020	1,960	7.5	24,980	22,910	2,070	8.3
Lincoln	4,390	4,210	180	4.1	4,020	3,800	220	5.5
Mason	12,460	11,540	920	7.4	12,600	11,630	970	7.7
Okanogan	15,610	13,860	1,750	11.2	15,260	13,300	1,960	12.8
Pacific	6,490	5,980	510	7.9	6,400	5,850	550	8.6
Pend Oreille	3,050	2,620	430	14.1	3,030	2,510	520	17.2
San Juan	5,560	5,340	220	4.0	5,400	5,160	240	4.4
Skagit	32,530	29,600	2,930	9.0	32,750	29,380	3,370	10.3
Skamania	2,440	2,130	310	12.7	2,570	2,200	370	14.4
Stevens	11,580	10,650	930	8.0	11,450	10,220	1,230	10.7
Wahkiakum	1,140	1,060	80	7.0	1,140	1,050	90	7.9
Walla Walla	25,590	24,300	1,290	5.0	24,630	22,960	1,670	6.8
Wenatchee Labor Area	39,500	35,750	3,750	9.5	38,870	35,190	3,680	9.5
Chelan County 2/	27,110	24,190	2,920	10.8	26,730	23,820	2,910	10.9
Douglas County 2/	12,390	11,560	830	6.7	12,150	11,380	770	6.3
Whitman	18,980	18,400	580	3.1	18,960	18,440	520	2.7

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	Prelim May Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		May-88	Apr-88	May-87	May-88	Apr-88	May-87	May-88	Apr-88	May-87
TOTAL MANUFACTURING INDUSTRIES*	196.835	$474.26	$465.68	$481.99	40.5	39.7	40.3	$11.71	$11.73	$11.96
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	35.209	$435.71	$440.76	$426.80	39.9	40.4	38.8	$10.92	$10.91	$11.00
Primary Metal Industries	9,670	$531.79	$535.30	$546.62	43.2	43.1	43.8	$12.31	$12.42	$12.48
Fabricated Metal Products	8.236	$443.52	$440.61	$444.57	39.6	39.2	39.8	$11.20	$11.24	$11.17
Machinery	16.694	$380.49	$373.12	$381.28	39.8	39.4	39.8	$9.56	$9.47	$9.58
Food and Kindred Products	25.380	$350.58	$330.78	$374.46	37.9	34.6	39.5	$9.25	$9.56	$9.48
Chemical and Allied Products	4.249	$613.73	$590.30	$612.32	44.7	43.5	42.2	$13.73	$13.57	$14.51
Transportation Equipment	49.201	$580.21	$567.84	$609.65	42.6	42.0	41.9	$13.62	$13.52	$14.55
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	70.689	$602.27	$590.87	$596.53	37.2	36.7	36.8	$16.19	$16.10	$16.21
Wholesale and Retail Trade (does not include eating and drinking establishments)	289.310	$316.77	$314.88	$319.30	33.1	32.8	33.4	$9.57	$9.60	$9.56

* Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bu of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor-management disputes.

Employment Security Department
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Washington LABOR MARKET

JOB SERVICE

Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Gary Bodeutsch
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

July 1988

Highlights

Job Growth Continues

Total employment in Washington State rose 28,100 between May and June with seasonal expansions in both agriculture and non-farm industries. The expansion, however, was less than usual for June, contrasting with a greater than seasonal gain in May. After seasonal adjustment, employment dropped about 11,000 in June to return to near its May level.

The decline in the adjusted total was largely the result of rain and cool weather in June which moderated the upturn in agricultural employment. Overall, of course, the rain in June was beneficial to agriculture in the state because of less than normal rainfall last fall and winter. And despite the below average expansion, the job total in the state was up 95,000 over the year in June.

Volume 12, Number 7

	June 1988* (Prel.)	May 1988 (Rev.)	June 1987
Civilian Labor Force	2,380,300	2,351,600	2,305,100
Total Employment	2,234,300	2,206,200	2,139,300
Total Unemployment	146,000	145,400	165,800
State Unemployment Rate	6.1	6.2	7.2
National Civilian Unemployment Rate	5.5	5.4	6.3

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

Unemployment Steady

Numerically, unemployment was little changed over the month (145,400 in May versus 146,000 in June) as job growth was offset by the entry of recent graduates and vacationing students into the job market. The jobless rate edged down from 6.2 percent of the labor force in May to 6.1 percent in June because of growth in the labor force. After seasonal adjustment, however, the rate crept up from 6.4 to 6.5 percent because of the below normal seasonal job growth in June.

By contrast, the year-to-year comparison continues to reflect substantial improvement in the state's economy: unemployment dropped 19,800 between June 1987 and 1988 and the jobless rate fell over one percentage point, from 7.2 to 6.1 percent.

INDUSTRY DEVELOPMENTS

Cherry and Strawberry Harvests Begin

Farm employment expanded in June as usual with the beginning of the cherry harvest overlapping the end of the asparagus harvest in Eastern Washington and the start of the strawberry harvest in Western Washington. The June increase in seasonal farm jobs, however, was below normal because rain damaged the cherry

crop in some areas, and cool June weather delayed the strawberry harvest.

Nonfarm Payrolls Up Nearly 20,000 in June

Employment in public and private education dropped sharply in June as usual, but growth in other industries pushed the nonagricultural job total up 19,800. The major increases were in trade, construction, and manufacturing.

Vacation Time

Retail trade employment jumped 6,000 in June to lead the expansion. Restaurants and drinking places alone added nearly 2,400 workers with the beginning of the summer tourist season. Apparel store were also busy and employed over 1,800 additional employees to sell summer items. Sizable gains were noted at gasoline stations, recreational vehicle dealers, and building supply stores.

Wholesale trade employment rose 3,200 in June. About two-thirds of the increase was at fruit and vegetable wholesale houses in Eastern Washington which were busy packing and shipping this year's cherry crop.

Construction Going Strong

Employment in construction jumped 4,100 from May and was up 11,400 over the year in June. Housing units authorized in the second quarter were up over the year in Washington State despite a decline in housing starts nationally. The strength of the state's economy has attracted new residents who require housing despite somewhat higher mortgage rates this year.

Schools Begin Summer Layoff

Public education payrolls fell 4,100 in June as schools began laying off bus drivers, cafeteria workers, and other noncertificated staff not needed for the summer. The decline in education in July will be even larger than in June as the fall impact of the temporary reduction is reflected in the data. Teachers and other certificated staff, who have contracts to return to their jobs in September, however, will still be counted as employed since they are paid on a twelve-month basis.

The drop in government employment in June was limited to 100 as losses in education were largely offset by seasonal hiring at parks, playgrounds and in other government outdoor employment. Summer work-experience programs for disadvantaged youth also started up in June to help reduce the seasonal cutback in government jobs.

Tourist Business Picks Up As Private Schools Trim Staff

A number of seasonal activities in the service industries picked up in June with the beginning of the summer tourist season. Hotels and motels added staff, and summer camps for youth began. Amusement establishments also expanded, especially golf courses, amusement parks and carnivals. Agricultural services added workers with more lawn and garden business. Medical care continued its long-term growth but nursing homes cut back moderately. Much of the growth in services, however, was offset by seasonal cutbacks at private schools and colleges which reduced staffing for the summer.

Trucking On A Roll

In other nonmanufacturing industries, transportation, communications, and utilities payrolls rose 1,900 in June. Most of the increase was in trucking because of the general increase in business activity and more farm-to-market hauling. Air transportation also expanded with more tourist business.

Finance-insurance-real estate employment rose 800 from May with seasonal growth in real estate and the hiring of vacation-replacement workers in finance and insurance. Employment continued to slip, however, at security and commodity dealers.

Aerospace Employment Over 100,000

Manufacturing employment moved up 3,100 in June led by a gain of 1,300 in aerospace. Aerospace employment in June totaled 100,100 and was at its highest level since 1968 because of brisk demand for Boeing jetliners. Since the beginning of the year, aerospace payrolls in Washington State have increased 2,600. Most of the growth was in the commercial airplane division of The Boeing Company where orders for the first seven months of 1988 nearly matched the record total of $19.87 billion for all of 1987. Boeing expects further growth in the third quarter but reductions in the fourth quarter, which will return the firm's work force to about its current level.

Strikes Reduce Lumber Jobs In July

A seasonal expansion boosted lumber employment 700 in June. At mid-month less than 200 lumber industry workers were involved in labor disputes, but strike activity expanded substantially since that time and was continuing in August. Employment in the industry will show a substantial drop in July as a result. While data are not available for Washington State at

this time, over 8,000 lumber workers in the Pacific Northwest were estimated to be involved in strikes at the beginning of August.

Machinery Adds 400

Machinery added 400 workers in June to post its largest gain of the year. Electrical and electronic equipment accounted for half of the gain. Growth was noted at firms producing printed circuit boards, telecommunications equipment, home entertainment electronics, and solid state devices.

Paper and allied products employment also rose 400 from May as firms added vacation-replacement workers as usual in June. Fabricated metals was up 300, largely due to seasonal orders from the construction industry. The canned and preserved food industry cut employment 300 to post the only sizable drop in manufacturing this June. The loss, however, was temporary and resulted from the winding down of work on the 1988 asparagus crop.

Nonfarm Jobs Up 77,400 Year to Year

The state's job market continues to show vigorous growth over the year with nonagricultural wage and salary employment up 77,400 or 4.2 percent over the year. Moreover, the expansion has been well balanced. The service industries continued to lead the upturn with a gain of 25,900 jobs followed by 18,100 in wholesale and retail trade, but construction added 11,400 year to year while manufacturing employment was up 17,100.

Aerospace payrolls were up 8,000 year to year while other manufacturing industries added 9,100. Sizable gains were noted in aluminum, up 1,500; machinery up 1,300; food products, up 1,800;and printing-publishing, up 1,100. Chemicals employment fell 1,100 to post the only loss in manufacturing. All of the reduction occurred at the Hanford Nuclear Reservation because of the decision to close the N Reactor.

Fewer Government Jobs

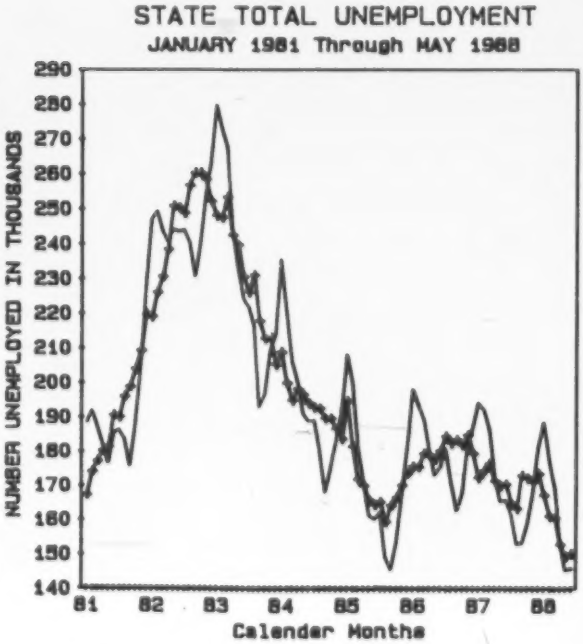
In the nonmanufacturing industries, the only job loss over the year was in government where the total fell 900 because of a drop of 1,500 on the federal level. Over half of the loss in federal civilian jobs occurred at defense establishments which were reducing staff because of funding cutbacks scheduled for the fiscal year beginning October 1, 1988.

AREA TRENDS

Eastern Washington
Leads June Expansion

Employment and unemployment trends were mixed around the state in June. Eastern Washington accounted for nearly three-fourths of the job growth from May as expanding farm activity easily offset losses in education when the school year ended. The number of unemployed workers on the eastside was up 1,000 in June, but with employment advancing 20,800, the increased size of the labor force pushed the jobless rate down from 7.8 to 7.6 percent.

In Western Washington, unemployment declined about 400 in June, but employment rose only slightly as layoffs in education largely offset expansions in other industries, and the jobless rate remained unchanged at 5.7 percent. Unemployment rates in the Olympia (6.5 percent), Seattle (5.1 percent), and Vancouver (6.1 percent) metropolitan areas edged up slightly. Relatively more opportunities in agriculture, however, lowered rates in the Bellingham (6.5 percent) and Tacoma (6.4 percent) areas. Unemployment rates also declined slightly in most logging areas.



+ SEASONALLY ADJUSTED - NOT SEASONALLY ADJUSTED

Changes were also mixed in Eastern Washington. The cherry harvest lowered the unemployment rate in the Wenatchee, 10.3 to 9.0 percent, and the Yakima, 9.9 to 9.0 percent, areas. Columbia County, however, saw its rate increase from 5.8 to 6.8 percent as the processing of the asparagus crop began to wind down. Like most metropolitan areas, Spokane's rate edged up in June, 6.1 to 6.3 percent.

INDUSTRY NOTES

Strikes Continue In Lumber Industry

The number of workers involved in labor disputes in the Pacific Northwest lumber industry which began in June soared to over 8,000 at the beginning of August. Union members are attempting to have wages and benefits restored by 1991, which were lost in 1986 when the industry was in a recession. Management maintains that it is unable to do that because they must compete with nonunion operations which pay lower wages and because of the cyclical nature of the industry. Some firms are instead offering to improve profit sharing plans.

Layoffs at Weyerhaeuser

Weyerhaeuser workers have not joined the strike even though no settlement has been reached. Should they go on strike too, an additional 6,600 workers would be involved in Washington and Oregon. Meanwhile, Weyerhaeuser has laid off a number of its workers in the Puget Sound area because of a softening of the Japanese log market.

Airbus Wins One

Airbus Industrie, the European consortium, was awarded a $1.5 billion order from Air Canada in July. The order was for 34 advanced Airbus A320 aircraft and options for 20 more. The Canadian airline plans to replace its aging Boeing 727 aircraft with the Airbus jets. Boeing had competed for the order, but it would be unrealistic to expect them to win all major contests.

New Market For Boeing

While Boeing lost the Air Canada order, it received permission from the Department of Commerce in July to export aircraft to Romania and Poland. Permission to sell commercial jets to other communist Eastern-Bloc countries is likely in the future. These nations have expressed interest in purchasing western planes because many of their current jets are old and do not meet new noise and pollution standards.

Boeing sees a minimum market of 100 jetliners in these countries in the next 12 years. Sales, however, depend on good relations with the Soviet Union. Maintenance of sensitive high-tech components would have to be done in western countries to prevent technology transfers.

Drought Eases

Four consecutive months of above normal rainfall, cool weather this spring, and conservation efforts have eased the drought in the Yakima Basin and other areas of the state, according to the Department of Ecology. The U.S. Bureau of Reclamation believes that the current water supply is sufficient to avoid any serious problems for agriculture in the Yakima Basin in 1988. A bureau spokesman, however, cautioned that there would be little or no reservoir carryover storage for the 1989 irrigation season. And with below normal stream flows in most areas of the state, conservation is still needed.

Labor Market Tightens

With the unemployment rate in the state at its lowest June level since 1969, shortages of certain workers are developing, notably teenagers and high-tech workers. The number of teenagers has declined significantly in recent years because of the low birth rates in the late 1960s and early 1970s. In 1980 there were 300,400 people from 16 through 19 years of age. By 1988 that number had declined to 267,300, a drop of 33,100 or 11 percent. Meanwhile, industries which employed large numbers of youth such as restaurants and retail stores have expanded substantially. As a result, firms hiring entry level workers have had to scramble to hire sufficient help, and "help wanted" signs have become common. Many firms have boosted starting wages and are recruiting older workers and persons with handicaps to try to fill their labor needs.

High-tech firms in the Seattle Metropolitan Area have also reported difficulty filling job openings. A survey by a Bellevue company, Resolution Business Press, indicated that over 55 percent of the high-tech companies in Redmond and Bellevue need additional workers. The Seattle Times reported in July that Microsoft alone had about 200 openings.

1,000 Hanford Jobs Saved

The U.S. Energy Department announced at the end of July that the Fast Flux Test Facility reactor at Hanford, which was expected to be closed in 1991, will be used to manufacture plutonium 238. The plutonium will provide heat for thermo-electric generators which will be fabricated at an adjacent building. The primary use for the generators will be on long-range space missions, but they will also be used by the Air Force and the Navy. According to the Energy Department, the generators will be needed until well into the 21st century, and the Hanford facility will be used to produce them at least through the year 2010.

The decision will preserve 1,000 jobs at the Fast Flux Test Facility reactor with 300 additional jobs expected to be added in 1994-95. Other opportunities for Hanford are created by the decision such as using the reactor for commercial power production and spin-off commercial projects ranging from radioisotope production for medical applications to the development of generators for non-government uses. The Hanford Nuclear Reservation, however, will still lose 6,000 jobs because of the closure of the N Reactor.

NATIONAL ECONOMIC INDICATORS

Inflation, the Major Concern

National economic indicators continue to point to a vigorous economy. Concern now is not whether the economy is expanding rapidly enough, but whether it is expanding so fast that it will lead to accelerating inflation later this year. There is no question that inflation picked up in the second quarter: inflation as measured by the GNP fixed weight price index rose from a 3.5 percent annual rate in the first quarter to 4.7 percent in the second quarter. A slowdown in the economy may keep inflation from getting out of hand, however.

The GNP grew at an annual rate of 3.1 percent in the second quarter, down from 3.4 percent in the first quarter and 6.1 percent in the final three months of 1987. Federal Reserve Board Chairman Alan Greenspan has indicated that the Federal Reserve wants the annual growth rate to slow to about 2.5 percent for the final half of 1988 to reduce inflationary pressures. Actions by the central bank have already boosted short-term interest rates by more than one percentage point since late March. In

mid-July, major banks raised their prime lending rate to 9.5 percent, the second boost this year and the highest level since March 1986.

Factories at Eight Year High

The Federal Reserve Board reported that the nation's factories, mines and utilities operated at 83.1 percent of capacity in June. This was the seventh increase in the last nine months and the highest level since March 1980. Growth in exports accounted for much of the expansion. Exports in May were up 31.4 percent from May 1987, while imports were only 9.4 percent higher. For the first five months of this year, the trade deficit was running at an annual rate of $140.7 billion, down from $166.5 billion for the comparable period in 1987. The National Association of Purchasing Management also noted a pick up in export business in their monthly survey.

Purchasing Agents Report Growing Orders

The survey of over 250 purchasing managers found that production and new orders continued to expand in July, fueled by a surge in export orders. The rate of increase in new orders was the second highest since October 1987 and suggests further growth in production, according to the association. Production expanded for the 19th consecutive month. The purchasing agents also reported slower vendor deliveries, also a sign of growth in the economy. Seasonal plant closing for maintenance or vacations likely contributed to the slowdown, however.

Leading Indicators Posts Strong Gain

The Index of Leading Economic Indicators, the government's main gauge of future economic activity, rebounded from a 0.8 percent decrease in May to post a gain of 1.4 percent in June. The June increase was the largest since December 1986.

Orders for plant and equipment rose sharply in June following a drop in May. Much of the increase was in one-time orders for aircraft and defense goods. Nonetheless, only one of the leading economic indicators declined in June, orders for consumer goods. Indicators posting the largest contributions to the gain in the leading indicator index in June besides plant and equipment orders were initial claims for unemployment insurance (down), the business delivery index, building permits, and stock market prices. The average workweek of manufacturing production workers was unchanged from May. Data on inventories and credit

outstanding were not available for the preliminary June estimate of the index.

CONSUMER PRICE INDEX
(All Items, Urban Consumers, 1982-1984=100)**

	INDEXES			PERCENT CHANGE Year Ending	
	June 1988	May 1988	June 1987	June 1988	May 1988
U.S. City Average	118.0	117.5	113.5	4.0	3.9
	July-Dec. 1987	July-Dec. 1986		July-Dec. '86 to July-Dec. '87	
Seattle*	110.3	106.7		3.4	

* The index for Seattle reflects prices in King, Pierce and Snohomish counties.

** The base period for the index has been changed from 1967=100 to 1982-1984=100. The conversion factors for the All Items, Urban Consumers Indexes on the 1967=100 base are U.S=0.3338279, Seattle=0.3280421.

Source: U.S. Department of Labor, Bureau of Labor Statistics

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/

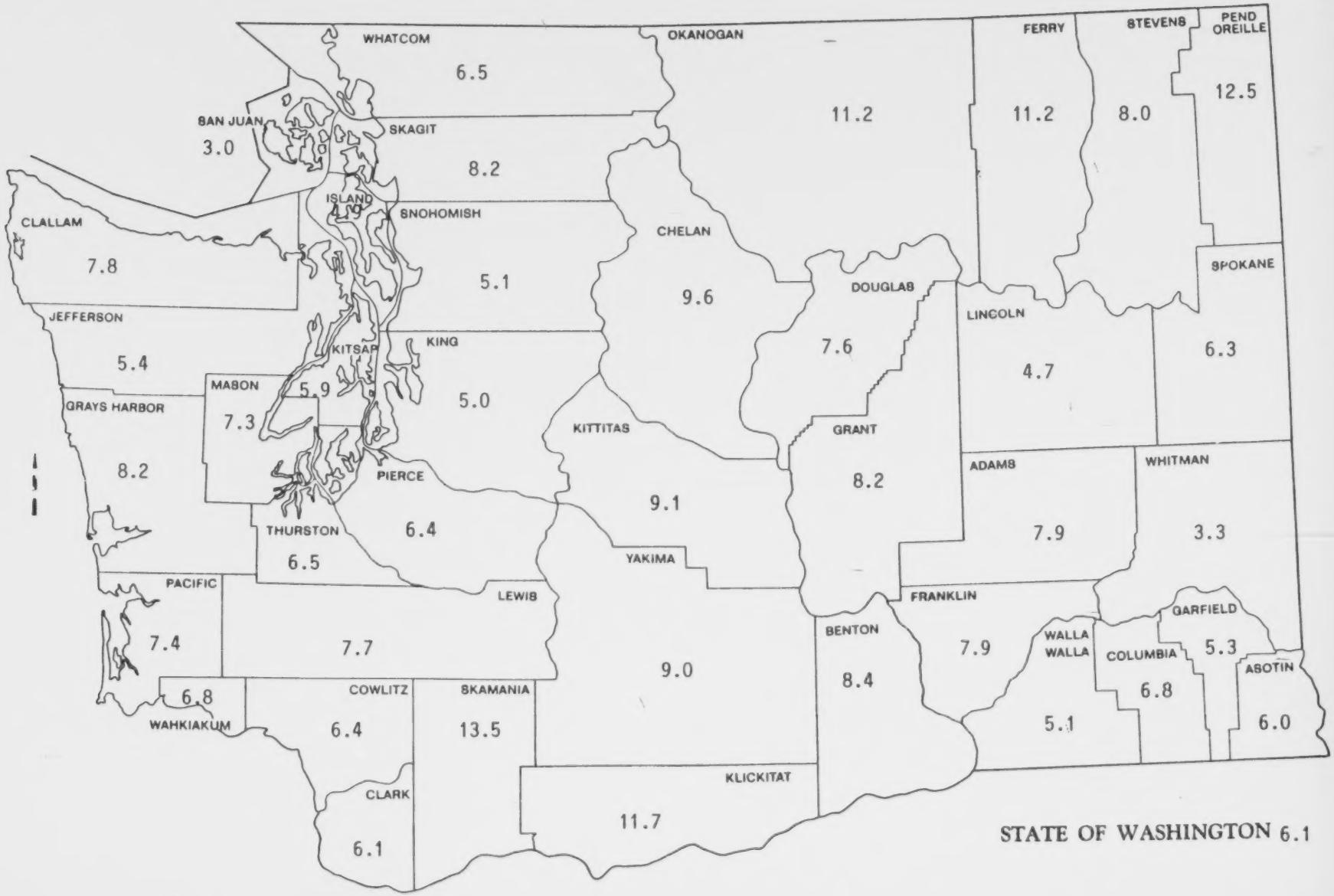
(In Thousands)

NOT SEASONALLY ADJUSTED Industry	June 1988 (PREL.)	May 1988 (REV.)	June 1987 (REV.)	May 1987 (REV.)	Numerical Change May 1988 to June 1988	Numerical Change June 1987 to June 1988
TOTAL NONAG. WAGE AND SALARY.....	1941.7	1921.9	1864.3	1936.6	19.8	77.4
MANUFACTURING.....	334.3	331.2	317.2	313.1	3.1	17.1
Durable Goods.....	237.0	234.0	222.7	219.4	3.0	14.3
Lumber & Wood Products.....	41.4 _3/	40.7	40.9	40.1	0.7	0.5
Furniture & Fixtures.....	3.8	3.7	3.7	3.6	0.1	0.1
Stone, Clay & Glass.....	6.8	6.7	6.7	6.5	0.1	0.1
Primary Metals.....	12.2 _3/	12.2	10.8	10.7	0.0	1.4
Aluminum.....	8.5	8.4	7.0	6.9	0.1	1.5
Fabricated Metals.....	11.0	10.7	10.4	10.1	0.3	0.6
Machinery.....	30.9	30.5	29.6	29.2	0.4	1.3
Machinery (Exc. Elec.)...	17.4	17.2	16.5	16.1	0.2	0.9
Electrical Equip.....	13.5	13.3	13.1	13.1	0.2	0.4
Transportation Equip.....	114.8	113.6	105.2	103.9	1.2	9.6
Aerospace.....	100.1	98.9	92.1	91.0	1.2	8.0
Other Transp. Equip.....	14.7	14.8	13.1 _3/	12.9 _3/	-0.1	1.6
Instruments & Related.....	11.1	10.9	10.7	10.7	0.2	0.4
Misc. Manufacturing.....	5.0	5.0	4.7	4.6	0.0	0.3
Nondurable Goods.....	97.3	97.2	94.5	93.7	0.1	2.8
Food & Kindred Products....	33.8	34.1	32.0	31.7	-0.3	1.8
Canned & Preserved Foods.	13.1	13.4	11.6	11.6	-0.3	1.5
Apparel & Allied Products..	5.9	6.0	5.7	5.7	-0.1	0.2
Paper & Allied Products....	17.0	16.6	16.6	16.4	0.4	0.4
Printing & Publishing.....	21.2	21.1	20.1	19.9	0.1	1.1
Chemicals & Allied Products	10.5	10.6	11.6	11.6	-0.1	-1.1
Other Nondurable Goods 2/.	8.9	8.8	8.5	8.4	0.1	0.4
MINING & QUARRYING	3.4	3.3	3.0	3.0	0.1	0.4
CONSTRUCTION.....	101.2	97.1	89.8	86.4	4.1	11.4
TRANSP., COMM. & UTIL.....	104.0	102.1	99.5	97.6	1.9	4.5
WHOLESALE & RETAIL TRADE.....	478.0 _3/	468.8 _3/	459.8	449.7	9.2	18.1
Wholesale Trade.....	116.3	113.1	112.5	109.3	3.2	3.8
Retail Trade.....	361.7 _3/	355.7 _3/	347.4	340.4 _3/	6.0	14.3
FIN. INS. & REAL ESTATE.....	108.9	108.1	108.0	107.3	0.8	0.9
SERVICES.....	446.2	445.5	420.3	416.4	0.7	25.9
Health Services.....	136.5	135.9	129.7	127.8	0.6	6.8
GOVERNMENT.....	365.7	365.8	366.6	363.1	-0.1	-0.9
Federal.....	70.2	69.7	71.7	71.1	0.5	-1.5
State & Local.....	295.5	296.1	294.9	292.0	-0.6	0.6
Education.....	154.2	158.3	153.9	156.2	-4.1	0.3
WORKERS IN LABOR-MANAGEMENT DISPUTES.....	0.7	0.3	0.4	0.3	0.4	0.3

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Workers excluded because of involvement in labor-management disputes.


WHATCOM
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OKANOGAN
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FERRY
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STEVENS
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PEND OREILLE
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SAN JUAN
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SKAGIT
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ISLAND
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SNOHOMISH
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CLALLAM
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CHELAN
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DOUGLAS
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SPOKANE
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LINCOLN
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JEFFERSON
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KING
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GRAYS HARBOR
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BENTON
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WALLA WALLA
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COLUMBIA
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GARFIELD
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ASOTIN
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WAHKIAKUM
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CLARK
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STATE OF WASHINGTON 6.1

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT
IN WASHINGTON STATE AND LABOR MARKET AREAS

DATE 8/2/88
Benchmark: 1987

(Not Seasonally Adjusted)

	JUNE 1988 PRELIMINARY 1/				MAY 1988 REVISED 1/				JUNE 1987 REVISED			
	Labor Force	Employment	Unemploy-ment	Unemp. Rate	Labor Force	Employment	Unemploy-ment	Unemp. Rate	Labor Force	Employment	Unemploy-ment	Unemp. Rate
Washington State total	2,380,300	2,234,300	146,000	6.1	2,351,600	2,206,200	145,400	6.2	2,305,100	2,139,300	165,800	7.2
Bellingham MSA	60,400	56,500	3,900	6.5	61,200	56,700	4,500	7.4	59,800	55,400	4,400	7.4
Bremerton MSA	74,600	70,200	4,400	5.9	74,000	69,600	4,400	5.9	74,100	69,700	4,400	5.9
Olympia MSA	77,000	72,000	5,000	6.5	76,200	71,400	4,800	6.3	74,800	69,500	5,300	7.1
Seattle PMSA	1,053,000	999,800	53,200	5.1	1,052,800	1,000,100	52,700	5.0	999,800	938,600	61,200	6.1
King County 2/	836,800	794,700	42,100	5.0	835,800	794,900	40,900	4.9	793,900	746,100	47,800	6.0
Snohomish County 2/	216,200	205,100	11,100	5.1	217,000	205,200	11,800	5.4	206,000	192,600	13,400	6.5
Spokane MSA	170,700	160,000	10,700	6.3	171,500	161,000	10,500	6.1	167,400	155,600	11,800	7.0
Tacoma PMSA	249,900	233,800	16,100	6.4	247,300	231,200	16,100	6.5	242,000	222,500	19,500	8.1
Tri-Cities MSA	77,000	70,700	6,300	8.2	70,800	65,500	5,300	7.5	80,000	73,400	6,600	8.3
Benton County 2/	59,400	54,400	5,000	8.4	54,500	50,400	4,100	7.5	61,400	56,400	5,000	8.1
Franklin County 2/	17,700	16,300	1,400	7.9	16,300	15,100	1,200	7.4	18,500	16,900	1,600	8.6
Vancouver PMSA	115,800	108,700	7,100	6.1	115,200	108,400	6,800	5.9	112,500	103,200	9,300	8.3
Yakima MSA	106,400	96,800	9,600	9.0	95,600	86,100	9,500	9.9	103,100	94,200	8,900	8.6
Adams	7,430	6,840	590	7.9	7,190	6,580	610	8.5	7,160	6,500	660	9.2
Asotin	9,230	8,680	550	6.0	9,180	8,600	580	6.3	8,500	7,780	720	8.5
Clallam	23,510	21,680	1,830	7.8	23,070	21,340	1,730	7.5	23,530	21,650	1,880	8.0
Columbia	2,800	2,610	190	6.8	3,460	3,260	200	5.8	2,940	2,730	210	7.1
Cowlitz	37,140	34,780	2,360	6.4	36,610	34,140	2,470	6.7	36,530	33,510	3,020	8.3
Ferry	2,780	2,470	310	11.2	2,760	2,420	340	12.3	2,690	2,440	250	9.3
Garfield	1,130	1,070	60	5.3	1,110	1,060	50	4.5	1,170	1,100	70	6.0
Grant	27,910	25,610	2,300	8.2	25,970	23,750	2,220	8.5	27,700	25,010	2,690	9.7
Grays Harbor	25,520	23,430	2,090	8.2	25,750	23,460	2,290	8.9	26,740	24,200	2,540	9.5
Island	19,090	18,160	930	4.9	19,220	18,180	1,040	5.4	18,910	17,870	1,040	5.5
Jefferson	7,970	7,540	430	5.4	7,780	7,330	450	5.8	8,160	7,590	570	7.0
Kittitas	11,890	10,810	1,080	9.1	11,530	10,380	1,150	10.0	11,810	10,750	1,060	9.0
Klickitat	8,540	7,540	1,000	11.7	8,210	7,250	960	11.7	7,950	6,470	1,480	18.6
Lewis	25,680	23,690	1,990	7.7	25,570	23,550	2,020	7.9	24,770	22,220	2,550	10.3
Lincoln	4,510	4,300	210	4.7	4,350	4,160	190	4.4	4,620	4,360	260	5.6
Mason	12,680	11,750	930	7.3	12,560	11,610	950	7.6	12,780	11,720	1,060	8.3
Okanogan	16,310	14,480	1,830	11.2	15,570	13,720	1,850	11.9	16,030	14,230	1,800	11.2
Pacific	6,480	6,000	480	7.4	6,460	5,880	580	9.0	6,690	6,110	580	8.7
Pend Oreille	3,110	2,720	390	12.5	3,030	2,610	420	13.9	3,190	2,690	500	15.7
San Juan	6,000	5,820	180	3.0	5,580	5,340	240	4.3	6,050	5,820	230	3.8
Skagit	33,910	31,120	2,790	8.2	32,670	29,580	3,090	9.5	34,660	31,390	3,270	9.4
Skamania	2,510	2,170	340	13.5	2,470	2,130	340	13.8	2,450	2,050	400	16.3
Stevens	11,800	10,860	940	8.0	11,560	10,640	920	8.0	11,870	10,670	1,200	10.1
Wahkiakum	1,170	1,090	80	6.8	1,140	1,050	90	7.9	1,270	1,150	120	9.4
Walla Walla	25,300	24,000	1,300	5.1	25,640	24,290	1,350	5.3	25,070	23,520	1,550	6.2
Wenatchee Labor Area	43,200	39,320	3,880	9.0	39,560	35,500	4,060	10.3	41,170	37,060	4,110	10.0
Chelan County 2/	29,440	26,610	2,830	9.6	26,910	24,020	2,890	10.7	28,050	25,080	2,970	10.6
Douglas County 2/	13,760	12,710	1,050	7.6	12,650	11,480	1,170	9.2	13,120	11,980	1,140	8.7
Whitman	17,820	17,230	590	3.3	19,010	18,400	610	3.2	17,340	16,670	670	3.9

1/ Estimates provided here are for use as an economic time-series.

2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

(Not Seasonally Adjusted)

August 2, 1988
Benchmark: 1987

	JUNE 1988 PRELIMINARY 1/				MAY 1988 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,359,400	2,220,500	138,900	5.9	2,348,800	2,210,300	138,500	5.9
Bellingham MSA	59,800	56,100	3,700	6.2	61,100	56,800	4,300	7.0
Bremerton MSA	74,000	69,800	4,200	5.7	73,900	69,700	4,200	5.7
Olympia MSA	76,400	71,600	4,800	6.3	76,100	71,500	4,600	6.0
Seattle PMSA	1,044,200	993,600	50,600	4.8	1,052,200	1,002,000	50,200	4.8
King County 2/	829,900	789,800	40,100	4.8	835,400	796,400	39,000	4.7
Snohomish County 2/	214,300	203,800	10,500	4.9	216,800	205,600	11,200	5.2
Spokane MSA	169,200	159,000	10,200	6.0	171,300	161,300	10,000	5.8
Tacoma MSA	247,800	232,400	15,400	6.2	247,000	231,700	15,300	6.2
Tri-Cities MSA	76,300	70,300	6,000	7.9	70,600	65,600	5,000	7.1
Benton County 2/	58,800	54,100	4,700	8.0	54,400	50,500	3,900	7.2
Franklin County 2/	17,500	16,200	1,300	7.4	16,300	15,100	1,200	7.4
Vancouver PMSA	114,700	108,000	6,700	5.8	115,100	108,600	6,500	5.6
Yakima MSA	105,400	96,200	9,200	8.7	95,400	86,300	9,100	9.5
Adams	7,370	6,800	570	7.7	7,180	6,600	580	8.1
Asotin	9,150	8,630	520	5.7	9,160	8,610	550	6.0
Clallam	23,280	21,540	1,740	7.5	23,030	21,380	1,650	7.2
Columbia	2,770	2,590	180	6.5	3,450	3,260	190	5.5
Cowlitz	36,810	34,560	2,250	6.1	36,560	34,210	2,350	6.4
Ferry	2,750	2,450	300	10.9	2,750	2,420	330	12.0
Garfield	1,110	1,060	50	4.5	1,110	1,060	50	4.5
Grant	27,640	25,450	2,190	7.9	25,910	23,790	2,120	8.2
Grays Harbor	25,270	23,280	1,990	7.9	25,680	23,500	2,180	8.5
Island	18,940	18,050	890	4.7	19,200	18,210	990	5.2
Jefferson	7,900	7,490	410	5.2	7,780	7,350	430	5.5
Kittitas	11,780	10,750	1,030	8.7	11,490	10,400	1,090	9.5
Klickitat	8,440	7,490	950	11.3	8,180	7,270	910	11.1
Lewis	25,440	23,540	1,900	7.5	25,520	23,590	1,930	7.6
Lincoln	4,480	4,280	200	4.5	4,350	4,170	180	4.1
Mason	12,560	11,680	880	7.0	12,530	11,630	900	7.2
Okanogan	16,130	14,390	1,740	10.8	15,500	13,740	1,760	11.4
Pacific	6,420	5,960	460	7.2	6,440	5,890	550	8.5
Pend Oreille	3,080	2,710	370	12.0	3,020	2,620	400	13.2
San Juan	5,960	5,780	180	3.0	5,580	5,350	230	4.1
Skagit	33,580	30,920	2,660	7.9	32,570	29,630	2,940	9.0
Skamania	2,470	2,150	320	13.0	2,470	2,140	330	13.4
Stevens	11,690	10,800	890	7.6	11,530	10,660	870	7.5
Wahkiakum	1,170	1,090	80	6.8	1,140	1,060	80	7.0
Walla Walla	25,090	23,850	1,240	4.9	25,610	24,330	1,280	5.0
Wenatchee Labor Area	42,770	39,080	3,690	8.6	39,430	35,570	3,860	9.8
Chelan County 2/	29,140	26,450	2,690	9.2	26,820	24,070	2,750	10.3
Douglas County 2/	13,640	12,640	1,000	7.3	12,610	11,500	1,110	8.8
Whitman	17,680	17,120	560	3.2	19,020	18,430	590	3.1

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	Prelim JUN Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Jun-88	May-88	Jun-87	Jun-88	May-88	Jun-87	Jun-88	May-88	Jun-87
TOTAL MANUFACTURING INDUSTRIES*	198.288	$472.42	$477.05	$483.14	39.9	40.6	40.6	$11.84	$11.75	$11.90
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	35.573 **	$415.87	$432.23	$437.60	38.4	39.8	40.0	$10.83	$10.86	$10.94
Primary Metal Industries	9.696 **	$538.36	$531.79	$535.25	43.0	43.2	43.2	$12.52	$12.31	$12.39
Fabricated Metal Products	8.587	$449.40	$441.54	$443.29	39.7	39.6	39.9	$11.32	$11.15	$11.11
Machinery	16.785	$375.25	$368.94	$386.78	39.5	39.0	40.8	$9.50	$9.46	$9.48
Food and Kindred Products	24.903	$354.75	$364.17	$372.40	36.8	39.2	39.2	$9.64	$9.29	$9.50
Chemical and Allied Products	4.144	$615.86	$596.79	$608.82	41.5	41.3	41.7	$14.84	$14.45	$14.60
Transportation Equipment	49.836	$579.70	$586.87	$616.50	42.5	42.9	42.4	$13.64	$13.68	$14.54
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	75.111	$595.83	$599.17	$607.99	37.1	37.1	37.3	$16.06	$16.15	$16.30
Wholesale and Retail Trade (does not include eating and drinking establishments)	296.747 **	$315.07	$316.11	$314.96	33.2	33.1	33.4	$9.49	$9.55	$9.43

* Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor-management disputes.

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JOB SERVICE

Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
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Economic Analysis Branch
(206) 438-4800

Gary Bodeutsch
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

August 1988

Highlights

Employment Down Seasonally

Employment declined as usual in Washington State between June and July; however, the drop was less than seasonally expected. Total employment fell 35,100, but after seasonal adjustment the job level rose 8,300 as the state's underlying economy continued to grow.

The reduction in the unadjusted level resulted from summer layoffs in education, the completion of the asparagus harvest in Eastern Washington and the near completion of the strawberry harvest west of the Cascades. Despite the loss, total employment was up 90,400 over the year or 4.3 percent. Nationally, total civilian employment was up 2.1 percent over the year in July. The national gain itself was substantial, to the degree that the Federal Reserve believes it is in the national interest to reduce the rate of growth to prevent inflation from accelerating.

Volume 12, Number 8

	July 1988* (Prel.)	June 1988 (Rev.)	July 1987
Civilian Labor Force	2,348,600	2,386,300	2,270,300
Total Employment	2,199,100	2,234,200	2,108,700
Total Unemployment	149,500	152,100	161,600
State Unemployment Rate	6.4	6.4	7.1
National Civilian Unemployment Rate	5.5	5.5	6.1

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

Unemployment Rate at 6.4 Percent

The total unemployment rate prior to seasonal adjustment remained unchanged between June and July. The payroll cutbacks in July had little impact on unemployment because most of those involved were not immediately seeking new jobs. Meanwhile, continued growth in construction, retail trade, aerospace and other industries provided new employment opportunities. The preliminary June rate at 6.1 percent, however, was revised upward after complete counts of insured claimants were received for computing the estimate of total unemployment. After seasonal adjustment, the jobless rate rose from 6.4 percent in May to 6.7 percent in June but dropped back to 6.5 percent in July.

More significant, the year-to-year comparison shows the number of unemployed individuals down 12,100 in July. The unadjusted rate in July 1987 was 7.1 percent compared with 6.4 percent this July. Moreover, the July 1988 rate was the lowest July rate in ten years.

INDUSTRY DEVELOPMENTS

Harvest Activity Shifts

Agricultural employment declined from June highs with the asparagus harvest over and the winding down of the cherry and strawberry harvest. Farm activity remained brisk in July as usual with the raspberry harvest underway in Western Washington and the wheat, barley, early potato,

apricot and peach harvests in Eastern Washington. Apple thinning and hop yard work also continued.

Outlook Brightens For State Wheat Farmers

The outlook for Washington wheat growers brightened as prices advanced because of the drought in the midwest, while spring rains improved the prospects for the crop in this state. The price of wheat in Washington State averaged $3.71 a bushel this July (preliminary) versus $2.53 a bushel in July 1987. Production for all wheat in the state is expected to be ten percent higher than in 1987 by the Washington Agricultural Statistics Service.

Seasonal Cutback in Education Lowers Nonfarm Payrolls

Nonagricultural employment fell 20,300 in July with a drop of 30,700 in public education where thousands of bus drivers, cafeteria workers, and other support staff were laid off for the summer. (Teachers and other certificated staff are counted as employed in the summer because they are paid on a twelve-month basis.)

The drop in education, however, was cushioned by seasonal growth in other government jobs. Noneducation public employment rose 6,500 because of the addition of summer workers at parks, playgrounds and forests and government programs which provide summer work-experience jobs to youth from low-income families. Over 4,200 youth held these jobs in July.

Data Processing Growth Strong

Normal July reductions in private education (down 1,800) offset advancing industries in the services group where the job total fell 700. Most of the increases were in seasonal jobs. The major exception was in computer and data processing which was up about 200 in July and 1,600 (14 percent) over the year. Shortages of qualified applicants have been reported in this field.

Other gains were reported by personnel supply agencies which were busy furnishing vacation-replacement workers during the month, and amusements (summer sports, amusement parks, county fairs, carnivals, etc.) which continued their summer expansions. Summer camps (YMCAs, scouts, etc.) also provided numerous jobs in July.

Asparagus Run Complete

Wholesale trade was the only other nonmanufacturing industry to reduce employment in July. The loss, however, occurred at fruit and vegetable warehouses where labor

requirements fell following the end of the asparagus harvest. Summer growth in the industry will resume with the harvest of summer fruit and vegetables. Other wholesale employment rose in July with a sizable gain in sportswear wholesaling where orders began shifting to winter apparel.

Restaurants Busy

Retail trade payrolls moved up 2,900 in July with restaurants busy with the expanding summer tourist business. Gasoline stations, though, did not expand as usual in July. Gasoline sales were undoubtedly up from June, suggesting those employed worked more hours per week. This industry employs many part-time workers, and the shortage of teenage workers may have accounted for the lack of employment growth. Special sales promotions in apparel created several hundred other temporary jobs in retail trade. Grocery stores also added staff as usual in the summer months.

Construction Booming

Construction led the expanding industries in July with a gain of 3,300. Commercial construction has provided the major impetus to the growth in the building trades this year, but even housing starts have remained strong in Washington State, while falling nationally because of rising interest rates and the over-building of multi-family units. Construction of rental units in the Central Puget Sound area remains brisk, by contrast, because of low vacancy rates. This, of course, reflects growing employment opportunities and an influx of new residents. Over the year, construction employment in the state has increased 13,000, or 14 percent, compared with a 4.4 percent gain in total nonfarm payroll employment.

In other nonmanufacturing industries, transportation-communications-utilities employment rose 1,100 in July while finance-insurance-real estate added 500 workers. Summer tourist activity and business growth were credited with the new jobs in transportation, while hiring for vacation replacements and summer outdoor maintenance accounted for the growth in communications and utilities. A seasonal upturn in real estate was accounted for most of the new jobs in its group.

Manufacturing Strong But Slips In July

Manufacturing employment fell in July for the first time in 1988 with a loss of 2,000 from June. The loss largely resulted from a seasonal reduction in food processing and labor disputes in the lumber industry. Employment in most other industries continued to expand.

Cannery Jobs Fall Temporarily

The job total in food processing alone fell 2,000, mainly because of the completion of work on this year's asparagus crop. The reduction was greater than usual for July, but the expansion this spring was greater than normal, and industry employment was still up over the year in July. Seasonal growth in the industry will resume in August when work will shift to summer fruits and vegetables.

1,600 On Strike In Lumber

With 1,600 wood products workers involved in labor disputes in July, industry employment fell 1,500. Little growth was noted at firms not involved in the dispute, probably because of inventory buildup prior to the strike and cautious buying on the part of customers who wished to avoid strike-related price levels. The dispute at the Simpson Timber Company where 800 workers were involved was settled in late August, but it will still affect the mid-August employment level for the industry.

Aerospace Still Growing

Record jetliner orders at The Boeing Company continue to push their workforce above levels forecast at the beginning of the year. Employment in aerospace added 500 in July and has increased 3,200 from the end of 1987. Over the comparable period in 1988, employment in the industry rose 5,000.

In other manufacturing industries, gains of 200 to 300 in July were credited to machinery, aluminum, apparel, and pulp-paper. Chemicals, however, continued to decline because of cutbacks at the Hanford Nuclear Reservation. Chemicals employment fell 200 in July and was down 1,300 over the year.

1988 Solid

Nonfarm payroll employment continues to maintain a substantial lead over its year-ago level. In July nonagricultural wage and salary jobs were up 80,700 over the year, an increase of 4.4 percent. By comparison, the nonfarm total rose 69,400, or 3.9 percent, in 1987. The current rate of growth is probably not sustainable, but the expansion will still be substantial in the remainder of the year.

A somewhat slower growth rate is likely in subsequent months because some industries such as pulp-paper and aluminum are now operating at near capacity. And while the labor disputes may soon be resolved in the lumber industry, demand for lumber has begun to soften because of a decline in housing starts nationally and some reduction in the demand for logs in Japan. In addition, The Boeing Company has forecast that while its workforce will increase in the third quarter, the gain will be offset by cutbacks in the fourth quarter.

Strong Growth In Manufacturing Over the Year

Services (up 25,000), retail trade (up 16,000) and construction (up 13,000) were credited with the largest over-the-year employment gains. After adjustment for labor disputes, however, the relative year-to-year growth in manufacturing equaled that of the nonmanufacturing industries at 4.5 percent.

Even with approximately 1,900 workers on strike, manufacturing payrolls were up 12,500 over the year, or 3.9 percent. Aerospace continued to lead the expansion over the 12-month period with an increase of 7,600 from July 1987. Other basic industries added 4,900 jobs with the largest in aluminum (up 1,400), machinery (up 1,400), other transportation equipment - trucks, boats, ships, etc. - up 1,800), and printing-publishing (up 1,100). The only year-to-year losses occurred in lumber (down 1,600) because of labor disputes and in chemicals (down 1,300) because of cutbacks at Hanford.

AREA TRENDS

Unemployment Up In Eastern Washington, Down On West Side

In contrast to the spring months when relative employment gains and reductions in unemployment were greater east of the Cascades than in Western Washington, because of growth in agriculture and related food processing employment, employment fell substantially in Eastern Washington in July and unemployment rose while relatively little change occurred on the west side.

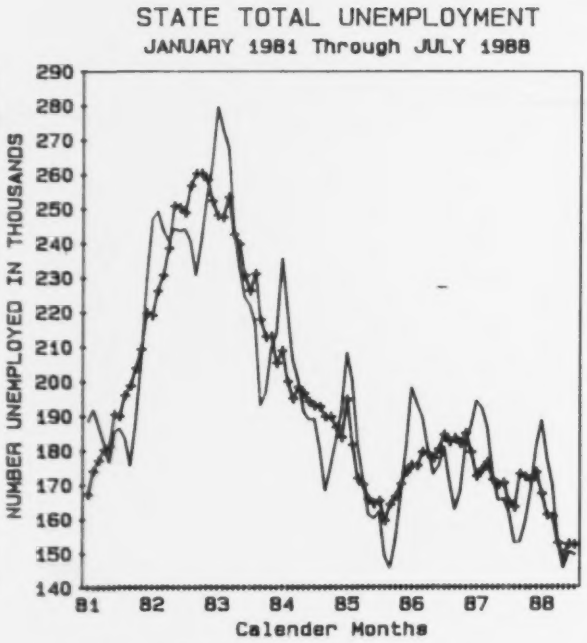
In Eastern Washington, employment fell nearly 29,000 in August, but unemployment rose less than 800, which reflects the mobile nature of many of the state agricultural laborers and food processing workers. A large share of the state's asparagus workers are migrants from the southwest. Despite the relatively small

increase in unemployment, however, the jobless rate east of the Cascades jumped from 7.9 to 8.5 percent between June and July because of a smaller labor force in the latter month.

The largest increases in unemployment rates occurred in areas where the harvesting and processing of asparagus are of major importance. In Yakima County the jobless rate rose from 9.3 to 11.4 percent over the month, while Walla Walla County saw its rate increase from 5.3 to 6.2 percent. In Columbia County the rate more than doubled, from 6.5 to 15.9 percent, but the number of unemployed workers in this sparsely populated county rose from only 190 to 260 while employment fell from 2,730 to 1,380. By contrast, the unemployment rate in the larger more diversified Spokane Metropolitan Area dropped from 6.5 to 6.2 percent between June and July.

In Western Washington employment fell nearly 6,400, less than four-tenths of one percent, largely due to cutbacks in public education and the near completion of the strawberry harvest. Many of these workers, however, did not immediately seek new jobs and were not counted as unemployed. Growth in other industries, on the other hand, lowered unemployment about 3,300 and the jobless rate edged down from 5.9 to 5.8 percent. The rate in the Seattle Metropolitan Area also slipped one-tenth of a point in July to 5.1 percent, while the unemployment rate in the Tacoma area edged down from 6.7 to 6.5 percent.

Over the year, jobless rates were down in nearly all areas of the state. Two of the more substantial reductions occurred in areas where aluminum plants were reopened in the last half of 1987: the unemployment rate in the Vancouver Metropolitan Area fell from 7.8 to 5.9 percent, while the rate in Klickitat County plunged from 17.2 to 10.7 percent year to year.



+ SEASONALLY ADJUSTED - NOT SEASONALLY ADJUSTED

INDUSTRY NOTES

Some Settlements In Lumber Industry

In late August labor disputes were settled at all but two firms in the lumber industry. The two disputes continuing included 170 union workers of the Summit Timber Company in Darrington and 168 union workers at the Champion International Mill in Klickitat County. Weyerhaeuser's union workers have remained on the job, but negotiations were still in progress at the end of August. The International Woodworkers of America represents an estimated 6,000 Weyerhaeuser workers in Oregon and Washington.

About 800 Simpson Timber Company workers ended their strike after agreeing to a new contract which provides an initial bonus of $1,400, a three percent wage increase in the second year, and four percent increases in the third and fourth years. The new agreement also restored two holidays cut in the previous contract and provides for a bonus week of pay usually paid at Christmas. Boise Cascade workers accepted a

similar agreement, except it did not include a fourth year.

Lacey Plywood Closes

Lacey Plywood halted production in early August and laid off 85 employees. The firm laid off 40 workers earlier this year. Veneer Services Inc., which owns the firm, also closed a mill in Elma in February. A company spokesman cited the high cost of logs and veneer for the closures. The equipment in both the Lacey and Elma mills will be maintained in case favorable market conditions return. Meanwhile, the laid off workers have been told that jobs are available at two mills owned by the firm in Oregon.

Weather On Strike

While labor and management were settling their differences in August, nature was still holding out. Hot, dry weather at the end of August created fire hazard conditions in the forests and resulted in the closure or curtailment of logging activities on 12.5 million acres of public land in Washington State. All logging operations west of the Cascades were shut down and cable logging and chainsaw use were prohibited in Eastern Washington logging operations.

Boeing Backlog Reaches $40 Billion

Going into the last week of August, orders for Boeing jetliners totaled 466 so far in 1988. The previous record was in 1978 when Boeing sold 461 planes for the entire year. The dollar value of the orders through August was $20.7 billion, above the record $19.9 billion total for all of 1987. Moreover, with additional multi-billion dollar orders possible in the final four months of 1988, total sales could reach $30 billion. The company's backlog of jet orders in August totaled over $40 billion, and production lines for many models are full into the early 1990s.

The long-term outlook for the aircraft industry is also promising. Boeing forecasts a five percent average growth rate in air travel worldwide through the year 2005 and industry-wide sales of 7,400 jetliners. A recession, however, would likely cause airlines to stretch out orders, but Boeing's huge backlog should prevent any dramatic drop in production and employment.

Workers Now Owners

The former WFI Industries, a large Seattle shipbuilding and tugboat company, resumed operation as Unimar in August with its

400 employees holding 73 percent of the company's stock under a reorganization plan. WFI Industries was one of the state's largest employers before drastic reductions in the shipbuilding industry forced it into bankruptcy with the loss of 1,100 jobs in 1986. A spokesman for Unimar said that the firm already has some contracts and will be marketing its services aggressively.

Software Business Expanding

Sales of software for personal computers by U.S. firms jumped 51 percent in 1988, according to a survey by the Software Publishers Association. The Seattle area is well represented in the industry with Microsoft, the industry's largest company, and Aldus Corp, the tenth largest located there. More than three-fourths of the national sales of PC software was for IBM PCs and compatibles using Microsoft's MS-DOS format.

Growth in the software industry has largely been responsible for 1,600 new jobs in the state's computer and data processing services industry over the year, a gain of nearly 14 percent.

NATIONAL ECONOMIC INDICATORS

Economy Remains Strong

Economic indicators generally continue to point to an exceptionally strong national economy, but some data suggest that a slowdown in the rate of expansion may occur later this year. The Federal Reserve has raised short-term interest rates in recent months in order to prevent the economy from overheating and inflation from accelerating. The effect of higher interest rates has not yet fully worked its way through the economy, however.

Factories Operating At Eight-Year High

In June the ratio of factory inventories to shipments fell to the lowest level on record. Factories must now step up production to avoid losing sales. Factories, mines and utilities in July increased their operating rates to 83.5 percent of capacity, according to the Federal Reserve Board. The July rate was the highest since March 1980. In a separate report the Federal Reserve estimated U.S. industrial production rose 0.8 percent in July, the largest increase in nine months.

Consumers Spend Less

Consumer spending, unemployment and the Index of Leading Economic Indicators, on the other hand, suggest a slowing trend could be on its way. Consumer spending rose 0.5 percent in July, less

than half of its increase of 1.1 percent in June. Personal income, however, rose 0.6 percent in both June and July and some analysts believe even slower growth in consumer spending is needed to avoid a surge in inflation.

National Unemployment Edges Up

The national unemployment rate rose from 5.4 to 5.6 percent (seasonally adjusted) between July and August to post its second increase since hitting a 14-year low of 5.2 percent in June. Seasonally adjusted manufacturing employment also pulled back in August, falling 5,000 for its first drop since January 1987. The loss was small, however, compared with the 45,000 increase in July, and despite the overall cutback in August, employment growth continued in export industries such as electrical equipment, chemicals and paper.

Leading Indicators Tumble

The Index of Leading Economic Indicators fell 0.8 percent in August which was its steepest drop in eight months. The decline, however, followed an exceptionally strong increase of 1.4 percent in June. Many economists viewed the drop as a partial pullback from June and expect to see a gain in the index in August.

Seven of the nine leading indicators for which data were available declined in July. The average work week of manufacturing production workers was unchanged. Indicators posting losses included initial claims for unemployment compensation (increased), orders for consumer goods, the business delivery index, orders for plant and equipment, building permits, stock market prices and the money supply. The sensitive material price index was the only leading indicator to move up in August.

Purchasing Managers See Slower Growth

The August survey of 250 purchasing managers by the National Association of Purchasing Managers found that while the economy continued to grow in August, growth rates were down from earlier months. Growth rates for both production and new orders slowed, but not enough to prevent employment at the firms represented in the survey from increasing.

The association's overall index dropped from 58 percent in July to 56.2 percent in August. Included in the index are measures of new orders, production, vendor deliveries and employment. A reading above 50 percent indicates the economy is generally expanding.

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University of Michigan Sees Strong Growth Continuing

Despite the recent rise in interest rates, the Michigan Quarterly Econometric Model in July projected GNP growth of 3.8 percent and an unemployment rate of 5.6 percent for 1988. In June the model projected 1988 GNP growth at 3.3 percent and unemployment at 5.7 percent for this year. The Michigan forecasters cited stronger export demand for the more optimistic projection, but said the projection represented continued rather than rapid growth.

CONSUMER PRICE INDEX
(All Items, Urban Consumers, 1982-1984=100)**

	INDEXES			PERCENT CHANGE Year Ending	
	July 1988	June 1988	July 1987	July 1988	June 1988
U.S. City Average	118.5	118.0	113.8	4.1	4.0
	Jan.-June 1988	Jan.-June 1987		Jan.-June '87 to Jan.-June '88	
Seattle*	111.9	108.2		3.4	

* The index for Seattle reflects prices in King, Pierce and Snohomish counties.

** The base period for the index has been changed from 1967=100 to 1982-1984=100. The conversion factors for the All Items, Urban Consumers Indexes on the 1967=100 base are U.S=0.3338279, Seattle=0.3280421.

Source: U.S. Department of Labor, Bureau of Labor Statistics

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/

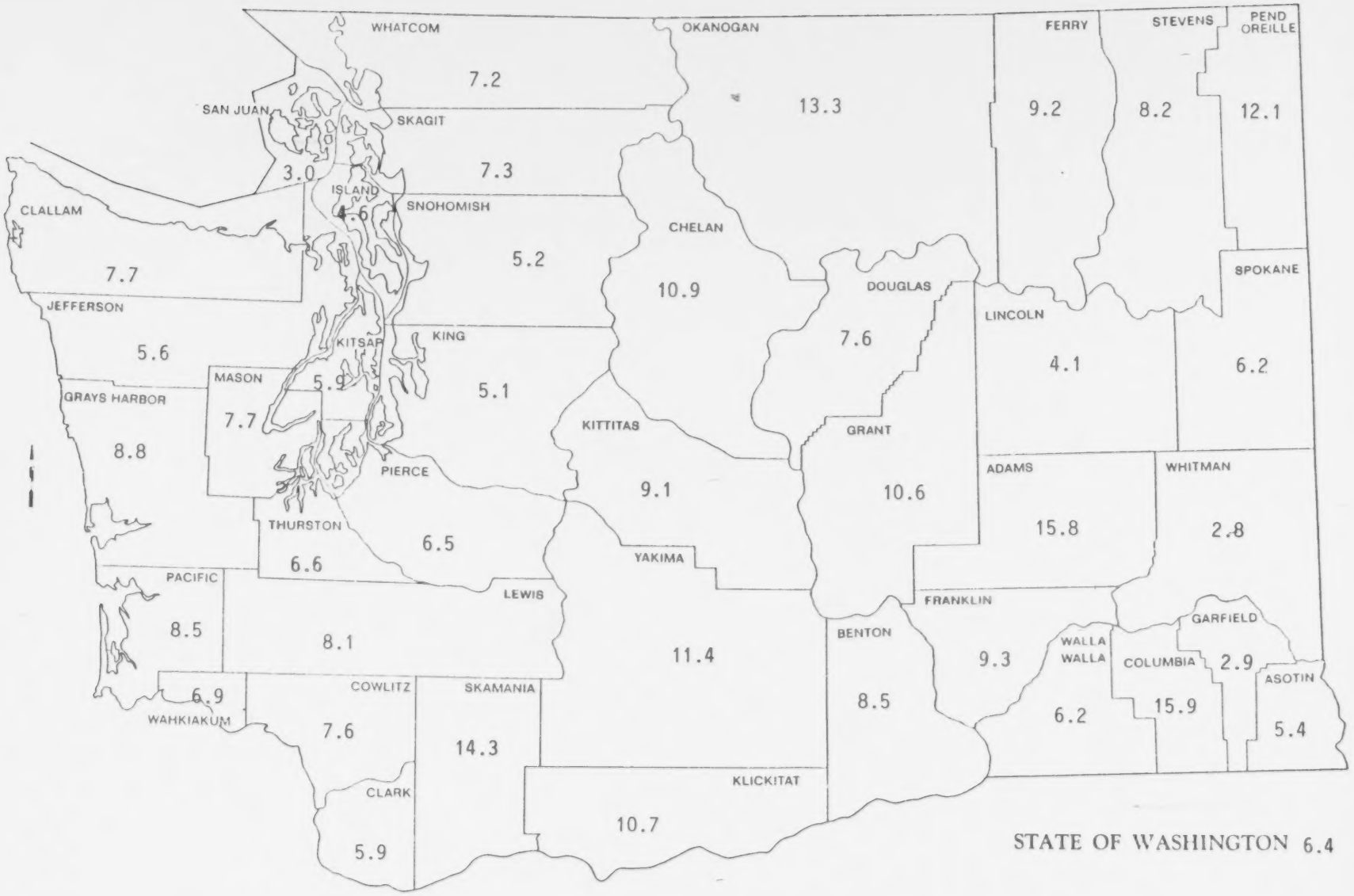
(In Thousands)

NOT SEASONALLY ADJUSTED Industry	July 1988 (PREL.)	June 1988 (REV.)	July 1987 (REV.)	June 1987 (REV.)	Numerical Change June 1988 to July 1988	Numerical Change July 1987 to July 1988
TOTAL NONAG. WAGE AND SALARY	1,923.5	1,943.8	1,842.8	1,864.3	-20.3	80.7
MANUFACTURING	331.3	333.3	318.8	317.2	-2.0	12.5
Durable Goods	236.2	236.5	224.6	222.7	-0.3	11.6
Lumber and Wood Products	39.8 3/	41.3 3/	41.4	40.9	-1.5	-1.6
Furniture and Fixtures	3.7	3.7	3.7	3.7	0.0	0.0
Stone, Clay and Glass	6.9	6.8	6.9	6.7	0.1	0.0
Primary Metals	12.4 3/	12.2 3/	11.1	10.8	0.2	1.3
Aluminum	8.7	8.5	7.3	7.0	0.2	1.4
Fabricated Metals	11.1	11.0	10.6	10.4	0.1	0.5
Machinery	31.1	30.8	29.7	29.6	0.3	1.4
Machinery (Except Electrical)	17.4	17.3	16.6	16.5	0.1	0.8
Electrical Equipment	13.7	13.5	13.1	13.1	0.2	0.6
Transportation Equipment	115.1	114.7	105.7	105.2	0.4	9.4
Aerospace	100.6	100.1	93.0	92.1	0.5	7.6
Other Transp. Equipment	14.5	14.6	12.7	13.1 3/	-0.1	1.8
Instruments and Related	11.1	11.0	10.9	10.7	0.1	0.2
Misc. Manufacturing	5.0	5.0	4.6	4.7	0.0	0.4
Nondurable Goods	95.1	96.8	94.2	94.5	-1.7	0.9
Food and Kindred Products	31.6	33.4	31.2	32.0	-1.8	0.4
Canned and Preserved Foods	10.7	12.7	10.3	11.6	-2.0	0.4
Apparel and Allied Products	6.0	5.8	5.9	5.7	0.2	0.1
Paper and Allied Products	17.2	17.0	16.8	16.6	0.2	0.4
Printing and Publishing	21.2	21.2	20.1	20.1	0.0	1.1
Chemicals and Allied Products	10.3	10.5	11.6	11.6	-0.2	-1.3
Other Nondurable Goods 2/	8.8	8.9	8.6	8.5	-0.1	0.2
MINING and QUARRYING	3.4	3.4	3.0	3.0	0.0	0.4
CONSTRUCTION	105.0 3/	101.7	92.0 3/	89.8	3.3	13.0
TRANSP.,COMM. and UTIL.	105.2	104.1	100.3	99.5	1.1	4.9
WHOLESALE and RETAIL TRADE	480.2 3/	478.5 3/	460.5	459.9	1.7	19.7
Wholesale Trade	115.6	116.8	111.9	112.5	-1.2	3.7
Retail Trade	364.6 3/	361.7 3/	348.6	347.4	2.9	16.0
FIN. INS. and REAL ESTATE	109.6	109.1	108.5	108.0	0.5	1.1
SERVICES	445.8	446.5	420.8	420.3	-0.7	25.0
Health Services	136.7	136.6	130.6	129.7	0.1	6.1
GOVERNMENT	343.0	367.2	338.9	366.6	-24.2	4.1
Federal	70.5	70.2	72.2	71.7	0.3	-1.7
State and Local	272.5	297.0	266.7	294.9	-24.5	5.8
Education	123.6	154.3	122.8	153.9	-30.7	0.8
WORKERS IN LABOR-MANAGEMENT DISPUTES	2.4	0.7	0.1	0.4	1.7	2.3

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Workers excluded because of involvement in labor-management disputes.



STATE OF WASHINGTON 6.4

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE AND LABOR MARKET AREAS

DATE 8/30/88
Benchmark: 1987

(Not Seasonally Adjusted)

	JULY 1988 PRELIMINARY 1/				JUNE 1988 REVISED 1/				JULY 1987 REVISED			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,348,600	2,199,100	149,500	6.4	2,386,300	2,234,200	152,100	6.4	2,270,300	2,108,700	161,600	7.1
Bellingham MSA	61,300	56,900	4,400	7.2	61,500	56,800	4,700	7.6	59,900	55,600	4,300	7.2
Bremerton MSA	73,100	68,800	4,300	5.9	74,900	70,300	4,600	6.1	72,800	68,600	4,200	5.8
Olympia MSA	76,100	71,100	5,000	6.6	77,300	72,100	5,200	6.7	73,500	68,400	5,100	6.9
Seattle PMSA	1,051,700	997,800	53,900	5.1	1,057,200	1,002,100	55,100	5.2	998,500	940,000	58,500	5.9
King County 2/	835,700	793,100	42,600	5.1	840,000	796,500	43,500	5.2	793,200	747,200	46,000	5.8
Snohomish County 2/	216,000	204,700	11,300	5.2	217,300	205,600	11,700	5.4	205,400	192,900	12,500	6.1
Spokane MSA	168,100	157,600	10,500	6.2	170,200	159,100	11,100	6.5	163,600	152,500	11,100	6.8
Tacoma PMSA	248,700	232,600	16,100	6.5	249,100	232,400	16,700	6.7	240,400	221,800	18,600	7.7
Tri-Cities MSA	69,100	63,200	5,900	8.5	77,500	71,000	6,500	8.4	70,800	64,600	6,200	8.8
Benton County 2/	53,100	48,600	4,500	8.5	59,600	54,600	5,000	8.4	54,100	49,700	4,400	8.1
Franklin County 2/	16,100	14,600	1,500	9.3	17,800	16,400	1,400	7.9	16,700	14,900	1,800	10.8
Vancouver PMSA	115,100	108,300	6,800	5.9	116,400	109,000	7,400	6.4	110,700	102,100	8,600	7.8
Yakima MSA	93,100	82,500	10,600	11.4	105,300	95,500	9,800	9.3	92,200	82,100	10,100	11.0
Adams	7,140	6,010	1,130	15.8	7,510	6,860	650	8.7	7,070	6,030	1,040	14.7
Asotin	9,180	8,680	500	5.4	9,250	8,700	550	5.9	8,430	7,820	610	7.2
Clallam	22,980	21,200	1,780	7.7	23,450	21,560	1,890	8.1	23,300	21,460	1,840	7.9
Columbia	1,640	1,380	260	15.9	2,920	2,730	190	6.5	1,910	1,580	330	17.3
Cowlitz	37,160	34,350	2,810	7.6	37,420	34,860	2,560	6.8	36,160	32,870	3,290	9.1
Ferry	2,710	2,460	250	9.2	2,770	2,480	290	10.5	2,710	2,480	230	8.5
Garfield	1,030	1,000	30	2.9	1,130	1,070	60	5.3	1,110	1,060	50	4.5
Grant	26,020	23,250	2,770	10.6	27,950	25,590	2,360	8.4	25,510	22,580	2,930	11.5
Grays Harbor	25,690	23,440	2,250	8.8	25,880	23,660	2,220	8.6	25,920	23,490	2,430	9.4
Island	18,960	18,080	880	4.6	19,150	18,220	930	4.9	18,810	17,830	980	5.2
Jefferson	8,180	7,720	460	5.6	8,000	7,560	440	5.5	8,310	7,750	560	6.7
Kittitas	10,820	9,830	990	9.1	12,110	10,990	1,120	9.2	10,800	9,760	1,040	9.6
Klickitat	8,210	7,330	880	10.7	8,620	7,550	1,070	12.4	7,680	6,360	1,320	17.2
Lewis	25,340	23,300	2,040	8.1	25,780	23,720	2,060	8.0	23,940	21,570	2,370	9.9
Lincoln	4,420	4,240	180	4.1	4,530	4,310	220	4.9	4,490	4,250	240	5.3
Mason	12,650	11,680	970	7.7	12,950	11,970	980	7.6	13,070	12,070	1,000	7.7
Okanogan	16,590	14,380	2,210	13.3	16,430	14,520	1,910	11.6	16,020	13,860	2,160	13.5
Pacific	6,460	5,910	550	8.5	6,450	5,910	540	8.4	6,750	6,140	610	9.0
Pend Oreille	3,390	2,980	410	12.1	3,300	2,840	460	13.9	3,130	2,670	460	14.7
San Juan	6,000	5,820	180	3.0	5,890	5,690	200	3.4	6,550	6,350	200	3.1
Skagit	36,630	33,940	2,690	7.3	34,200	31,290	2,910	8.5	36,840	33,630	3,210	8.7
Skamania	2,380	2,040	340	14.3	2,510	2,170	340	13.5	2,210	1,890	320	14.5
Stevens	11,520	10,580	940	8.2	11,810	10,790	1,020	8.6	11,820	10,690	1,130	9.6
Wahkiakum	1,160	1,080	80	6.9	1,180	1,100	80	6.8	1,240	1,130	110	8.9
Walla Walla	24,040	22,550	1,490	6.2	25,430	24,090	1,340	5.3	24,240	22,460	1,780	7.3
Wenatchee Labor Area	44,840	40,420	4,420	9.9	42,530	38,570	3,960	9.3	43,040	38,880	4,160	9.7
Chelan County 2/	30,700	27,350	3,350	10.9	29,180	26,100	3,080	10.6	29,300	26,310	2,990	10.2
Douglas County 2/	14,140	13,070	1,070	7.6	13,350	12,470	880	6.6	13,750	12,570	1,180	8.6
Whitman	17,220	16,740	480	2.8	17,770	17,180	590	3.3	16,760	16,260	500	3.0

1/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics estimates, which must be used for Federal program purposes, are available upon request.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

August 30, 1988
Benchmark: 1987

(Not Seasonally Adjusted)

	JULY 1988 PRELIMINARY 1/				JUNE 1988 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,318,500	2,176,600	141,900	6.1	2,364,600	2,220,400	144,200	6.1
Bellingham MSA	60,500	56,300	4,200	6.9	61,000	56,500	4,500	7.4
Bremerton MSA	72,200	68,100	4,100	5.7	74,300	69,900	4,400	5.9
Olympia MSA	75,100	70,400	4,700	6.3	76,600	71,700	4,900	6.4
Seattle PMSA	1,038,700	987,600	51,100	4.9	1,048,200	995,900	52,300	5.0
King County 2/	825,400	785,000	40,400	4.9	832,800	791,600	41,200	4.9
Snohomish County 2/	213,300	202,600	10,700	5.0	215,400	204,300	11,100	5.2
Spokane MSA	166,000	156,000	10,000	6.0	168,700	158,100	10,600	6.3
Tacoma PMSA	245,600	230,300	15,300	6.2	246,700	230,900	15,800	6.4
Tri-Cities MSA	68,100	62,500	5,600	8.2	76,600	70,500	6,100	8.0
Benton County 2/	52,400	48,100	4,300	8.2	59,100	54,300	4,800	8.1
Franklin County 2/	15,800	14,400	1,400	8.9	17,700	16,300	1,400	7.9
Vancouver PMSA	113,600	107,100	6,500	5.7	115,300	108,300	7,000	6.1
Yakima MSA	91,800	81,700	10,100	11.0	104,200	94,900	9,300	8.9
Adams	7,020	5,950	1,070	15.2	7,440	6,820	620	8.3
Asotin	9,070	8,590	480	5.3	9,170	8,650	520	5.7
Clallam	22,670	20,980	1,690	7.5	23,220	21,430	1,790	7.7
Columbia	1,610	1,360	250	15.5	2,890	2,710	180	6.2
Cowlitz	36,670	34,000	2,670	7.3	37,080	34,650	2,430	6.6
Ferry	2,670	2,430	240	9.0	2,730	2,460	270	9.9
Garfield	1,020	990	30	2.9	1,110	1,060	50	4.5
Grant	25,650	23,020	2,630	10.3	27,660	25,430	2,230	8.1
Grays Harbor	25,330	23,200	2,130	8.4	25,610	23,510	2,100	8.2
Island	18,720	17,890	830	4.4	19,000	18,110	890	4.7
Jefferson	8,070	7,640	430	5.3	7,930	7,510	420	5.3
Kittitas	10,660	9,720	940	8.8	11,990	10,920	1,070	8.9
Klickitat	8,080	7,250	830	10.3	8,510	7,500	1,010	11.9
Lewis	24,990	23,060	1,930	7.7	25,520	23,570	1,950	7.6
Lincoln	4,360	4,190	170	3.9	4,480	4,280	200	4.5
Mason	12,480	11,560	920	7.4	12,830	11,900	930	7.2
Okanogan	16,330	14,230	2,100	12.9	16,240	14,430	1,810	11.1
Pacific	6,370	5,850	520	8.2	6,380	5,870	510	8.0
Pend Oreille	3,340	2,950	390	11.7	3,250	2,820	430	13.2
San Juan	5,930	5,760	170	2.9	5,840	5,650	190	3.3
Skagit	36,140	33,590	2,550	7.1	33,860	31,100	2,760	8.2
Skamania	2,350	2,020	330	14.0	2,480	2,160	320	12.9
Stevens	11,360	10,470	890	7.8	11,680	10,720	960	8.2
Wahkiakum	1,140	1,060	80	7.0	1,170	1,090	80	6.8
Walla Walla	23,740	22,320	1,420	6.0	25,210	23,940	1,270	5.0
Wenatchee Labor Area	44,210	40,010	4,200	9.5	42,090	38,330	3,760	8.9
Chelan County 2/	30,250	27,070	3,180	10.5	28,860	25,940	2,920	10.1
Douglas County 2/	13,960	12,940	1,020	7.3	13,230	12,390	840	6.3
Whitman	17,030	16,570	460	2.7	17,640	17,080	560	3.2

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	Prelim JUL Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Jul-88	Jun-88	Jul-87	Jul-88	Jun-88	Jul-87	Jul-88	Jun-88	Jul-87
TOTAL MANUFACTURING INDUSTRIES*	197,887	$473.59	$473.20	$482.40	39.4	40.0	40.0	$12.02	$11.83	$12.06
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	33,938 **	$423.75	$429.16	$444.21	37.5	39.3	39.0	$11.30	$10.92	$11.39
Primary Metal Industries	9,863 **	$534.87	$538.79	$545.31	43.1	43.0	43.8	$12.41	$12.53	$12.45
Fabricated Metal Products	8,583	$452.98	$450.20	$427.19	39.7	39.7	38.8	$11.41	$11.34	$11.01
Machinery	19,644	$370.75	$378.10	$376.54	38.7	39.8	40.1	$9.58	$9.50	$9.39
Food and Kindred Products	23,547	$373.69	$361.74	$369.27	36.6	36.8	37.3	$10.21	$9.83	$9.90
Chemical and Allied Products	4,190	$609.41	$615.03	$612.35	40.9	41.5	41.6	$14.90	$14.82	$14.72
Transportation Equipment	48,764	$582.58	$577.91	$605.26	42.4	42.4	41.8	$13.74	$13.63	$14.48
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	78,330	$592.12	$592.37	$599.41	37.1	37.0	37.3	$15.96	$16.01	$16.07
Wholesale and Retail Trade (does not include eating and drinking establishments)	299,035 **	$318.14	$313.50	$313.23	32.9	33.0	33.5	$9.67	$9.50	$9.35

* Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor-management disputes.

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Washington LABOR MARKET

Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Gary Bodeutsch
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

September 1988

Highlights

State and National Economy Remain Strong

Debate continues over whether the economy is slowing or not; and if the growth rate is declining, whether the reduction will be sufficient to prevent inflation from escalating. Meanwhile, labor market conditions in the state and nation are exceptionally strong; unemployment rates are near their lowest levels of the decade. In both the state and nation, however, areas of high unemployment persist; in contrast to the overall national jobless rate of 5.4 percent in August, the rate in Louisiana was 10.0 percent, and compared with the overall unemployment rate of 6.1 percent in Washington State, the rate in Okanogan County was 14.2 percent (rates are not seasonally adjusted).

Farm Jobs Decline In August

Both employment and unemployment declined in Washington State during the month of August. The employment reduction, however, resulted entirely from the

Volume 12, Number 9

	August 1988* (Prel.)	July 1988 (Rev.)	August 1987
Civilian Labor Force	2,340,400	2,353,600	2,270,300
Total Employment	2,197,700	2,201,800	2,117,500
Total Unemployment	142,700	151,800	152,800
State Unemployment Rate	6.1	6.4	6.7
National Civilian Unemployment Rate	5.4	5.5	5.8

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

drop in farm jobs that followed the asparagus, cherry, strawberry and raspberry harvests. Washington's farms continued to employ thousands of seasonal workers in the potato, pear, and summer vegetable harvests during August, but total employment slipped 4,100 from July.

After seasonal adjustment, total employment fell 4,000 in August. The drop likely represented a partially pullback from July when employment was unusually high because of overlaping harvests. And despite the decline in August, total employment in the state was up 80,200, or 3.8 percent, over the year.

Unemployment Down Seasonally

Total unemployment in Washington State fell from 151,800 and 6.4 percent of the labor force in July to 142,700 and 6.1 percent in August. All of the reduction resulted from growth in nonfarm employment. Except in a few areas, the decline in seasonal farm jobs had little effect on unemployment; migrant farmworkers moved on to new jobs in other areas and many local workers withdrew from the job market. Many of these workers will reenter the workforce in September and October during the apple harvest.

Adjusted Jobless Rate Levels Off

After seasonal adjustment, the state's jobless rate edged down from 6.6 to 6.5 percent from July to August. The adjusted rate, however, has moved in a narrow range between 6.4 and

6.7 percent from May through August, following substantial reductions earlier in the year. Nonetheless, the number of jobless workers in the state has declined more than 10,000 over the year, and the adjusted rate in August 1987 was 7.2 percent compared to 6.5 percent this August.

The national adjusted unemployment rate has also been relatively stable in recent months following sizable reductions between August 1987 and March 1988. Since March it has ranged from 5.3 to 5.6 percent, its August level.

Jobless Rates Vary Widely By Worker Group

The characteristics of the unemployed from the national household survey provide insights on the unemployment situation not available for Washington State. Similar trends likely prevail in this state, though.

While the overall unemployment rate nationally was 5.6 percent in August (seasonally adjusted), rates for specific worker groups varied widely. There was little difference in rates for adult men (4.9 percent) and adult women (4.8 percent), but the rate for teens aged 16-19 was 15.8 percent. The high rate, despite obvious shortages of entry level workers in many areas, reflects frequent movement into and out of jobs in search of employment more suitable to their individual needs, e.g., a job with hours and a location permitting them to continue their education or one which provides better pay or opportunity for advancement.

While the rate for white workers was 4.9 percent, the rates for blacks and hispanics were a respective 11.3 percent and 8.4 percent. The rate for married men with spouse present was a low 3.4 percent. Women who maintained families, however, had a jobless rate more than twice as great, 7.4 percent. Rates also varied widely by occupation, ranging from a low of 2.1 percent for technicians and related support workers to 12.3 percent for construction laborers. Generally the more education and experience required for a job, the lower the unemployment rate.

Only 46 Percent of Jobless Lost Last Job

Not all unemployed workers lost their last job. In fact only 46 percent of the unemployed in August were job losers. Nearly 15 percent quit their last job, almost 28 percent were reentering the job market after an absence (illness, school, home responsibilities, etc.),

and 12 percent were looking for their first job. Job losers are the individuals most likely to be qualified for and receiving unemployment compensation. Total unemployment estimates for both the state and nation, however, include all jobless workers, not just those receiving unemployment insurance benefits.

INDUSTRY DEVELOPMENTS

Nonfarm Jobs Up

Nonagricultural wage and salary employment continued to advance in August, adding 11,300 jobs from July. Most, but not all of the increase was seasonal with the largest gains in wholesale and retail trade, construction, service industries and food processing. Gains in these and other industries, however, were partially offset by a further summer decline in public education.

Tourists Keep Restaurants Busy

Wholesale and retail trade employment moved up 4,300 in August with 1,400 additional jobs on the wholesale level and 2,900 at retail outlets. Most of the expansion in wholesale trade was credited to fruit and vegetable merchants who were busy packing and shipping summer produce. Other wholesalers added staff to serve a growing retail sector. Restaurants accounted for about half the gain in retail trade with summer tourist business at its peak. Back-to-school shopping and the opening of new stores also boosted retail payrolls in August.

Building Trades Add 3,700 Workers

Employment in construction rose 3,700 in August as work in the building trades approached its seasonal peak; usually in September. Growth in the industry has exceeded seasonal expectations this year; and over the year construction employment has increased 14,100 or nearly 15 percent. A vigorous commercial building sector in the central Puget Sound area deserves credit for most of the year-to-year growth. In addition, home building, including multi-family units, has held up better in the Puget Sound area than in other parts of the nation because of above average employment and population growth.

County Fair Time

Summer activities boosted employment in the service industries this August. Hotels-motels and service stations hired staff to serve tourists and county fairs provided temporary employment for hundreds of workers across the state. Personnel supply agencies added workers

who they placed at firms requiring vacation-replacement workers.

Health Care Jobs Down

Private education (included in services) fell as expected in August, but health services employment also declined. While the drop in medical care payrolls was only 300, it followed a drop of 100 in July. This may signal a change in the long-term growth trend in the industry. Health services on the national level posted a below average increase in August. The health care industry has apparently begun to feel the competition and cost pressures long faced by other industries.

In other nonmanufacturing industries, government civilian payrolls fell 4,800 in August almost entirely due to seasonal reductions in public education. September, of course, will see a reversal of this trend as the regular school year begins and hundreds of bus drivers, cafeteria workers and other support staff are recalled to their jobs. (Certificated personnel are considered employed all year since they are paid on a twelve-month basis.)

Transportation, communications and utilities payrolls rose 800 in August with farm-to-market hauling being a major factor. Finance, insurance and real estate added 200 with nearly all of the gain in real estate; banking and other credit agencies cut employment slightly as continuing competitive pressures forced mergers and other cost saving measures.

Canning Time Adds Manufacturing Jobs

Manufacturing employment jumped 5,000 in August with most of the gain in food processing. Though cannery and freezing plant jobs fell 2,000 in July when work on the asparagus crop was completed, they rebounded 3,100 in August as processing of summer fruits and vegetables began. Washington State ranks first in the nation in the processing carrots, third in green peas and fourth in sweet corn. The increase in canned and preserved foods was augmented by a seasonal increase of 700 at firms producing a wide variety of food products such as beverages and snack items.

Aerospace Still On Uptrend

Aerospace payrolls added 400 in August to bring its total gain so far in 1988 to 3,800. For the past two years, employment forecasts have predicted that aerospace payrolls would stabilize; these have been obviously premature.

July-August employment changes in other manufacturing industries were relatively minor. Fabricated metal products added 300 workers in response to growing orders from the construction industry, while machinery payrolls rose 300 in response to growing domestic and foreign demand. Employment in the lumber industry was relatively unchanged with 1,600 workers on strike in July and 1,700 in August. The disputes were settled in late August and early September, but fire hazard conditions in the latter month restricted logging activity across the state.

Manufacturings Jobs Up From Year Ago

Nonagricultural wage and salary employment in the state was up 83,600 over the year in August. Most of the new jobs were in the nonmanufacturing industries, especially services (up 24,500), retail trade (up 17,900) and construction (up 14,100). Manufacturing employment also contributed 12,100 despite this year's labor dispute in the lumber industry. Compared with a 4.7 percent job increase over the year in the nonmanufacturing industries, manufacturing payrolls increased 3.7 percent. And after adjustment for the labor dispute in lumber this year, employment in the state's manufacturing sector was up 4.3 percent.

Though aerospace employment rose 7,800 year to year to account for over 60 percent of the new manufacturing jobs, other industries have also posted significant gains in the past twelve months. "Other transportation equipment" added 1,800 jobs thanks to growth at firms building pleasure boats, trucks and trailers and modest improvement at shipyards. Machinery payrolls were up 1,600 year to year, reflecting strength in the national capital investment market as manufacturers seek to improve productivity. Export markets for machinery have also improved because of the decline in the value of the dollar relative to foreign currencies.

Aluminum employment added 1,400 jobs over the year with the reopenings of Vancouver and Goldendale smelters. Demand for aluminum has soared in the last year because of the resurgence in the nation's manufacturing industries. Employment at iron foundries, however, was down from August 1987 because of labor disputes. Printing and publishing employment rose 1,100 year to year reflecting the strong growth in the state's economy.

Lumber and wood products (down 1,800) and chemicals (down 1,400) were the only goods-producing industries to report job losses over the year. The drop in lumber was almost entirely due to labor disputes which have now been settled, while the reduction in chemicals occurred entirely at Hanford.

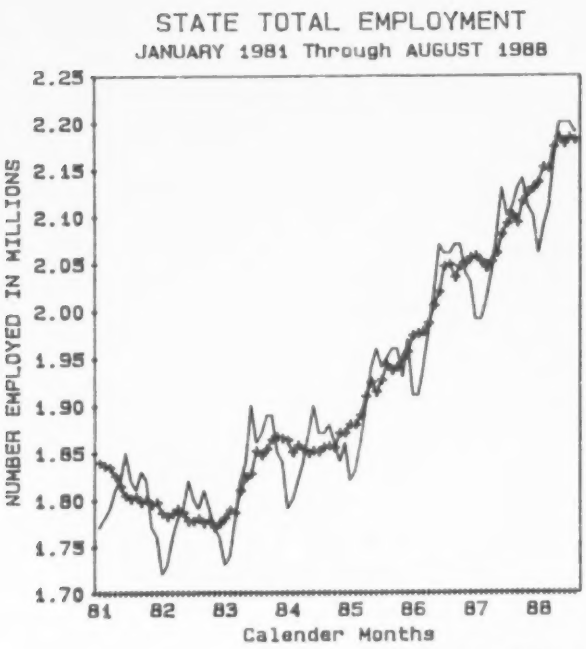
AREA TRENDS

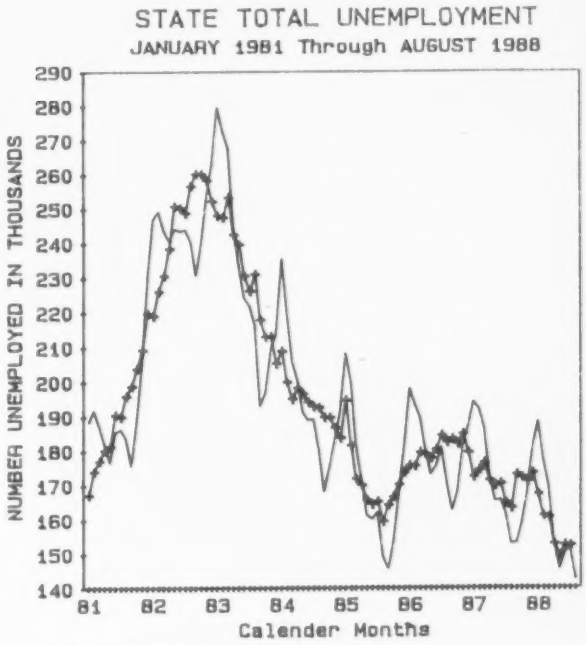
Jobless Rates Vary Widely

Unemployment rates declined in most areas of the state between July and August, but rates ranged widely because of local economic conditions. San Juan County had the lowest rate in August at 2.8 percent while Okanogan County recorded the highest rate in the state at 14.2 percent. Western Washington matched the national civilian average of 5.4 percent, while the rate in the seasonally volatile eastern part of the state was 8.4 percent.

Seattle's Rate Below Five Percent

In the Seattle Metropolitan Area, the unemployment rate fell from 5.2 percent in July to 4.8 percent in August to mark the first time since the late 1960's its rate has fallen below five percent. Obviously Seattle did not turn out the lights when their unemployment rate hit a peak of 13.5 percent in July 1971.





+ SEASONALLY ADJUSTED – NOT SEASONALLY ADJUSTED

Food processing and agriculture played a large role in the changes in Eastern Washington. The processing of summer crops lowered the jobless rate in Adams County from 16.0 percent in July to 9.2 percent in August; the rate in Columbia County fell from 16.3 to 13.5 percent, while Kittitas County saw its rate fall from 9.2 to 7.7 percent. The end of apple thinning and the cherry harvest, however, boosted the jobless rate in the Wenatchee area from 9.9 to 11.6 percent and in Okanogan County from 13.5 to 14.2 percent. Rates in both of these areas should fall dramatically during the apple harvest in September and October.

INDUSTRY NOTES

Lumber Consumption High But Down From 1987

The Western Wood Products Association forecasts softwood lumber consumption in the U.S. will total 47.6 billion board feet in 1988, down from 50.6 billion board feet in 1987 but the second highest year on record. The association forecasts consumption will fall 4.8 percent to 45.33 billion board feet in 1989 because of slightly higher mortgage rates and a resulting decline in single-family housing starts. Housing starts are expected to fall from a total of 1,450,000 units in 1988 to 1,400,000 units in 1989. All of the drop is anticipated in single-family dwellings, which use more lumber per unit than multi-family units. Apartment construction may expand slightly in 1989 as the over-supply of multi-family units built in 1983-1986 is absorbed.

Softwood lumber exports rose 33 percent between the first half of 1987 and 1988 because of the decline in the value of the dollar relative to foreign currencies. Recent strengthening in the dollar, however, is expected to slow exports in the final six months of 1988. For this year, the association believes softwood lumber exports will be up almost 22 percent from 1987. Exports for next year are forecast at 2.7 billion board feet, a near record level but down from the anticipated 2.95 billion board feet in 1988.

Log exports from Pacific ports rose 30 percent in the first half of 1988 but are expected to slow in the final half of the year. Log exports for 1987 from Pacific Ports totaled 3.653 billion board feet (log scale) and are expected to reach 4.0 billion board feet for 1988, up 9.5 percent. In 1989 the

association expects log shipments to return to their 1987 level.

Boeing and Douglas Split Huge Order

Delta Airlines announced orders and options for 215 jetliners valued at over $10 billion in September. The order was split between Boeing and McDonnel Douglas Corp with Boeing receiving orders and options for 75 planes worth nearly $4 billion and Douglas winning orders and options for 140 jets valued at about $6 billion. Firm orders, however, were placed for only 18 planes including nine Boeing 737-300s worth an estimated $700 million and nine of Douglas' new MD-11 tri jets valued at about $900 million.

Forecast of Hanford Cutbacks Lowered

The Department of Energy has revised its estimate of the job loss at the Hanford Nuclear Reservation resulting from the closure of the N Reactor. Earlier this year they had forecast a job loss of 6,400 by the mid-1990s. The forecast was lowered to 5,000 in September because they now expect more workers will be employed cleaning up toxic and radioactive waste on the reservation. The new estimates show 3,000 Hanford jobs will be lost through 1991 with an additional 2,000 workers cut by the mid-1990s.

Funds For Everett Home Port

In September Congress passed and sent to President Reagan legislation appropriating construction funds for the Navy's Everett home port. The legislation stated that the funds may be used for any construction at the Everett Naval Base except the actual dredging and disposal of contaminated sediments. The language was added in response to legal efforts by environmentalists which have stopped all construction at the base. Construction on the uplands of the base should now be able to proceed.

The bill also appropriated funds for other Washington Defense installations including $19 million for Fort Lewis, $17 million for Fairchild Air Force Base (Spokane), $15 million for the Silverdale Strategic Weapons Facility, $13 million for McChord Air Force Base (Tacoma), and 11 million for the Whidbey Island Naval Air Station.

NATIONAL ECONOMIC INDICATORS

Choose Your Weapons

Economic data and interpretations related to the outlook for economic growth, interest rates and inflation appear to satisfy all viewpoints. One New York financial economist summed up the overall outlook by saying "We may or may not be slowing down. I wouldn't jump to conclusions based on the data so far."

Growth in the Gross National Product (GNP) slowed from a 3.4 percent annual rate in the first quarter to 3.0 percent in the second quarter, but the GNP price index moved up from 3.5 to 5.0 percent. The annualized increase in the price index in the second quarter was the largest in six years.

Double Digit Inflation Not Likely

Most analysts doubt inflation will reach the double digit level of a few years ago. The August "Blue Chip" survey of 50 private and academic economists found only two who expected the Consumer Price Index (CPI) to increase by six percent or more in 1989. The average increase expected by the group was 4.9 percent, compared with a projected 4.1 percent for 1988. Most analysts believe that the factors which help boost prices are weaker than in the past. Interest rates are now quicker to respond to inflation and slow economic growth, and wages are now slower in responding to changes in price levels. Wages, if fact, now appear to lag price increases, and wages account for approximately two-thirds of all business costs. In the twelve months ended June 1988, the employment-cost index rose three percent compared with an increase of four percent in the CPI. In addition, cost-of-living adjustments (COLA) have declined in importance. A U.S. Department of Labor Survey of contracts covering 1,000 or more workers found that four out of every ten now include COLAs, down from six of every ten in 1978. Moreover, COLAs now recover less of the increase in prices than before.

Interest Rates to Rise?

A survey of sixteen economists by the Wall Street Journal in September found all but three expect interest rates to be higher by the end of the year. Many of them, however, expect only small increases with slower economic growth next year, moderate inflation and lower interest rates. Most believe that the Federal Reserve will tighten credit, boosting interest rates, after the election to reduce inflationary pressures.

Slower Growth Predicted For 1989

The latest survey by the National Association of Business Economists of economists representing 60 of the nation's largest corporations found 47 percent expect a recession in 1989 (down from 57 percent three months ago), 42 percent anticipate one in 1990, and 11 percent believe a recession is not likely until later. Their median forecast for GNP growth was 3.9 percent for 1988 and 2.3 percent for 1989, while their median forecast for the CPI was 4.4 percent this year and 5.1 percent for 1989. Most of the economists surveyed expect a rise in interest rates through the middle of next year and falling rates after that.

Consumer Confidence Up

The latest survey by the Conference Board, a private research group, of 5,000 U.S. households found consumer confidence rose in August reversing declines of the preceeding two months. The group's consumer confidence index (base 1985) rose to 119.2 in August, up over six points from July. The Conference Board's executive director attributed much of the increase to improved conditions in farm areas resulting from better weather and agricultural support payments. Consumer confidence was also up in the rest of the nation.

Leading Indicators Up In August

The Index of Leading Economic Indicators, the government's main gauge of future economic activity, rose a moderate 0.4 percent in August following a drop of 0.6 in July and an increase of 1.5 percent in June. Many analysts believe the drop in July was a correction from the exceptionally strong increase in June. In any event, the index continued pointing to further growth in the near term.

Of the nine leading economic indicators for which data were available in August, five were up and four declined. Indicators on the positive side were initial claims for unemployment compensation (declined), orders for consumer goods, plant and equipment orders, building permits, and sensitive material prices. Indicators pointing lower were the average workweek of manufacturing production workers, the business delivery index, stock market prices and the money supply.

CONSUMER PRICE INDEX
(All Items, Urban Consumers, 1982-1984=100)**

	INDEXES			PERCENT CHANGE Year Ending	
	Aug. 1988	July 1988	Aug. 1987	Aug. 1988	July 1988
U.S. City Average	119.0	118.5	114.4	4.0	4.1

	Jan.-June 1988	Jan.-June 1987	Jan.-June '87 to Jan.-June '88
Seattle*	111.9	108.2	3.4

* The index for Seattle reflects prices in King, Pierce and Snohomish counties.

** The base period for the index has been changed from 1967=100 to 1982-1984=100. The conversion factors for the All Items, Urban Consumers Indexes on the 1967=100 base are U.S=0.3338279, Seattle=0.3280421.

Source: U.S. Department of Labor, Bureau of Labor Statistics

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/

(In Thousands)

NOT SEASONALLY ADJUSTED Industry	August 1988 (PREL.)	July 1988 (REV.)	August 1987 (REV.)	July 1987 (REV.)	Numerical Change July 1988 to Aug. 1988	Numerical Change Aug. 1987 to Aug. 1988
TOTAL NONAG. WAGE AND SALARY	1,937.6	1,926.3	1,854.0	1,842.8	11.3	83.6
MANUFACTURING	336.5	331.5	324.4	318.8	5.0	12.1
Durable Goods	237.4	236.2	226.2	224.6	1.2	11.2
Lumber and Wood Products	39.6 3/	39.7 3/	41.4	41.4	-0.1	-1.8
Furniture and Fixtures	3.7	3.7	3.8	3.7	0.0	-0.1
Stone, Clay and Glass	6.9	6.9	6.9	6.9	0.0	0.0
Primary Metals	12.5 3/	12.4 3/	11.2	11.1	0.1	1.3
Aluminum	8.8	8.7	7.4	7.3	0.1	1.4
Fabricated Metals	11.4	11.1	10.9	10.6	0.3	0.5
Machinery	31.4	31.1	29.8	29.7	0.3	1.6
Machinery (Except Electrical)	17.6	17.4	16.6	16.6	0.2	1.0
Electrical Equipment	13.8	13.7	13.2	13.1	0.1	0.6
Transportation Equipment	115.7	115.2	106.6	105.7	0.5	9.1
Aerospace	101.1	100.7	93.8	93.0	0.4	7.3
Other Transp. Equipment	14.6	14.5	12.8 3/	12.7	0.1	1.8
Instruments and Related	11.1	11.1	10.9	10.9	0.0	0.2
Misc. Manufacturing	5.1	5.0	4.7	4.6	0.1	0.4
Nondurable Goods	99.1	95.3	98.2	94.2	3.8	0.9
Food and Kindred Products	35.5	31.7	35.0	31.2	3.8	0.5
Canned and Preserved Foods	13.8	10.7	13.6	10.3	3.1	0.2
Apparel and Allied Products	6.1	6.0	6.0	5.9	0.1	0.1
Paper and Allied Products	17.1	17.2	16.7	16.8	-0.1	0.4
Printing and Publishing	21.3	21.2	20.2	20.1	0.1	1.1
Chemicals and Allied Products	10.2	10.3	11.6	11.6	-0.1	-1.4
Other Nondurable Goods 2/	8.9	8.9	8.7	8.6	0.0	0.2
MINING and QUARRYING	3.4	3.4	3.0	3.0	0.0	0.4
CONSTRUCTION	109.0	105.3 3/	94.9	92.0 3/	3.7	14.1
TRANSP.,COMM. and UTIL	106.0	105.2	101.1	100.3	0.8	4.9
WHOLESALE and RETAIL TRADE	484.5 3/	480.2 3/	462.8	460.5	4.3	21.7
Wholesale Trade	117.2	115.8	113.4	111.9	1.4	3.8
Retail Trade	367.3 3/	364.4 3/	349.4	348.6	2.9	17.9
FIN. INS. and REAL ESTATE	110.0	109.8	108.4	108.5	0.2	1.6
SERVICES	448.4	446.3	423.9	420.8	2.1	24.5
Health Services	136.2	136.5	130.8	130.6	-0.3	5.4
GOVERNMENT	339.8	344.6	335.5	338.9	-4.8	4.3
Federal	70.3	70.5	72.1	72.2	-0.2	-1.8
State and Local	269.5	274.1	263.4	266.7	-4.6	6.1
Education	121.0	125.2	118.3	122.8	-4.2	2.7
WORKERS IN LABOR MANAGEMENT DISPUTES	2.5	2.4	0.1	0.1	0.1	2.4

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Workers excluded because of involvement in labor-management disputes.

August
STATE OF WASHINGTON 6.1

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT
IN WASHINGTON STATE AND LABOR MARKET AREAS

DATE 10/3/88
Benchmark: 1987

(Not Seasonally Adjusted)

	AUGUST 1988 PRELIMINARY 1/				JULY 1988 REVISED 1/				AUGUST 1987 REVISED			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,340,400	2,197,700	142,700	6.1	2,353,600	2,201,800	151,800	6.4	2,270,300	2,117,500	152,800	6.7
Bellingham MSA	61,900	57,900	4,000	6.5	61,600	57,500	4,100	6.7	59,500	55,400	4,100	6.9
Bremerton MSA	73,600	69,500	4,100	5.6	73,600	69,100	4,500	6.1	73,600	69,500	4,100	5.6
Olympia MSA	75,400	70,700	4,700	6.2	76,300	71,200	5,100	6.7	72,800	68,000	4,800	6.6
Seattle PMSA	1,050,100	999,700	50,400	4.8	1,055,300	1,000,500	54,800	5.2	999,500	942,600	56,900	5.7
King County 2/	834,300	794,600	39,700	4.8	838,600	795,300	43,300	5.2	793,800	749,200	44,600	5.6
Snohomish County 2/	215,800	205,100	10,700	5.0	216,800	205,300	11,500	5.3	205,700	193,400	12,300	6.0
Spokane MSA	166,400	156,500	9,900	5.9	167,500	156,800	10,700	6.4	162,800	152,100	10,700	6.6
Tacoma PMSA	247,300	232,000	15,300	6.2	248,200	231,800	16,400	6.6	241,900	224,200	17,700	7.3
Tri-Cities MSA	66,500	60,600	5,900	8.9	69,300	63,300	6,000	8.7	69,600	63,500	6,100	8.8
Benton County 2/	51,000	46,700	4,300	8.4	53,300	48,700	4,600	8.6	53,200	48,900	4,300	8.1
Franklin County 2/	15,700	14,000	1,700	10.8	16,100	14,600	1,500	9.3	16,400	14,600	1,800	11.0
Vancouver PMSA	114,500	108,100	6,400	5.6	114,500	107,600	6,900	6.0	111,200	103,100	8,100	7.3
Yakima MSA	94,800	84,200	10,600	11.2	93,700	83,000	10,700	11.4	95,100	86,800	8,300	8.7
Adams	6,990	6,350	640	9.2	7,140	6,000	1,140	16.0	6,910	6,370	540	7.8
Asotin	9,590	9,100	490	5.1	9,490	8,980	510	5.4	8,320	7,760	560	6.7
Clallam	23,250	21,630	1,620	7.0	23,050	21,250	1,800	7.8	23,370	21,570	1,800	7.7
Columbia	1,560	1,350	210	13.5	1,660	1,390	270	16.3	1,790	1,480	310	17.3
Cowlitz	36,590	34,060	2,530	6.9	37,340	34,470	2,870	7.7	34,770	31,780	2,990	8.6
Ferry	2,720	2,460	260	9.6	2,700	2,450	250	9.3	2,730	2,490	240	8.8
Garfield	1,060	1,020	40	3.8	1,090	1,060	30	2.8	1,060	1,000	60	5.7
Grant	25,630	22,900	2,730	10.7	26,240	23,390	2,850	10.9	25,200	22,860	2,340	9.3
Grays Harbor	24,380	22,120	2,260	9.3	25,120	22,850	2,270	9.0	25,710	23,240	2,470	9.6
Island	19,060	18,210	850	4.5	19,000	18,100	900	4.7	18,830	17,810	1,020	5.4
Jefferson	8,430	7,950	480	5.7	8,220	7,750	470	5.7	8,510	7,960	550	6.5
Kittitas	12,040	11,110	930	7.7	10,920	9,910	1,010	9.2	11,280	10,420	860	7.6
Klickitat	8,090	7,130	960	11.9	8,240	7,360	880	10.7	7,290	6,340	950	13.0
Lewis	25,160	23,170	1,990	7.9	25,280	23,190	2,090	8.3	23,850	21,650	2,200	9.2
Lincoln	4,320	4,150	170	3.9	4,480	4,290	190	4.2	4,380	4,160	220	5.0
Mason	13,040	12,130	910	7.0	12,680	11,690	990	7.8	12,890	12,000	890	6.9
Okanogan	15,990	13,720	2,270	14.2	16,650	14,410	2,240	13.5	16,470	14,440	2,030	12.3
Pacific	6,390	5,850	540	8.5	6,480	5,930	550	8.5	6,740	6,100	640	9.5
Pend Oreille	3,340	2,980	360	10.8	3,400	2,970	430	12.6	3,040	2,580	460	15.1
San Juan	6,340	6,160	180	2.8	6,030	5,840	190	3.2	6,900	6,700	200	2.9
Skagit	35,770	33,210	2,560	7.2	36,790	34,040	2,750	7.5	36,050	33,100	2,950	8.2
Skamania	2,350	2,030	320	13.6	2,390	2,040	350	14.6	2,170	1,850	320	14.7
Stevens	11,500	10,580	920	8.0	11,580	10,610	970	8.4	11,830	10,760	1,070	9.0
Wahkiakum	1,170	1,070	100	8.5	1,170	1,080	90	7.7	1,240	1,140	100	8.1
Walla Walla	22,990	21,620	1,370	6.0	24,150	22,620	1,530	6.3	23,410	21,810	1,600	6.8
Wenatchee Labor Area	44,160	39,050	5,110	11.6	45,050	40,590	4,460	9.9	42,090	38,150	3,940	9.4
Chelan County 2/	30,200	26,430	3,770	12.5	30,850	27,470	3,380	11.0	28,460	25,810	2,650	9.3
Douglas County 2/	13,970	12,630	1,340	9.6	14,190	13,120	1,070	7.5	13,620	12,330	1,290	9.5
Whitman	17,880	17,340	540	3.0	17,310	16,820	490	2.8	17,330	16,780	550	3.2

1/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics estimates, which must be used for Federal program purposes, are available upon request.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

October 3, 1988
Benchmark: 1987

(Not Seasonally Adjusted)

	AUGUST 1988 PRELIMINARY 1/				JULY 1988 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,296,100	2,161,800	134,300	5.8	2,322,800	2,179,000	143,800	6.2
Bellingham MSA	60,800	57,000	3,800	6.3	60,800	56,900	3,900	6.4
Bremerton MSA	72,300	68,400	3,900	5.4	72,500	68,300	4,200	5.8
Olympia MSA	74,100	69,600	4,500	6.1	75,200	70,400	4,800	6.4
Seattle PMSA	1,030,900	983,400	47,500	4.6	1,042,200	990,200	52,000	5.0
King County 2/	819,000	781,600	37,400	4.6	828,000	787,000	41,000	5.0
Snohomish County 2/	211,800	201,700	10,100	4.8	214,000	203,100	10,900	5.1
Spokane MSA	163,300	154,000	9,300	5.7	165,200	155,100	10,100	6.1
Tacoma PMSA	242,600	228,200	14,400	5.9	245,000	229,400	15,600	6.4
Tri-Cities MSA	65,300	59,700	5,600	8.6	68,400	62,700	5,700	8.3
Benton County 2/	49,900	45,900	4,000	8.0	52,500	48,200	4,300	8.2
Franklin County 2/	15,400	13,800	1,600	10.4	15,900	14,500	1,400	8.8
Vancouver PMSA	112,300	106,300	6,000	5.3	113,000	106,500	6,500	5.8
Yakima MSA	92,800	82,800	10,000	10.8	92,400	82,200	10,200	11.0
Adams	6,840	6,240	600	8.8	7,020	5,940	1,080	15.4
Asotin	9,410	8,950	460	4.9	9,360	8,880	480	5.1
Clallam	22,800	21,270	1,530	6.7	22,740	21,030	1,710	7.5
Columbia	1,520	1,320	200	13.2	1,630	1,380	250	15.3
Cowlitz	35,890	33,510	2,380	6.6	36,840	34,120	2,720	7.4
Ferry	2,660	2,420	240	9.0	2,660	2,420	240	9.0
Garfield	1,040	1,000	40	3.8	1,080	1,050	30	2.8
Grant	25,100	22,530	2,570	10.2	25,850	23,150	2,700	10.4
Grays Harbor	23,890	21,760	2,130	8.9	24,760	22,610	2,150	8.7
Island	18,710	17,910	800	4.3	18,760	17,910	850	4.5
Jefferson	8,270	7,820	450	5.4	8,120	7,670	450	5.5
Kittitas	11,800	10,930	870	7.4	10,770	9,810	960	8.9
Klickitat	7,920	7,020	900	11.4	8,110	7,280	830	10.2
Lewis	24,660	22,790	1,870	7.6	24,930	22,950	1,980	7.9
Lincoln	4,250	4,090	160	3.8	4,420	4,240	180	4.1
Mason	12,790	11,930	860	6.7	12,510	11,570	940	7.5
Okanogan	15,630	13,500	2,130	13.6	16,380	14,260	2,120	12.9
Pacific	6,260	5,750	510	8.1	6,390	5,870	520	8.1
Pend Oreille	3,270	2,930	340	10.4	3,350	2,940	410	12.2
San Juan	6,230	6,060	170	2.7	5,960	5,780	180	3.0
Skagit	35,080	32,670	2,410	6.9	36,290	33,690	2,600	7.2
Skamania	2,300	2,000	300	13.0	2,350	2,020	330	14.0
Stevens	11,280	10,410	870	7.7	11,430	10,510	920	8.0
Wahkiakum	1,150	1,050	100	8.7	1,150	1,070	80	7.0
Walla Walla	22,550	21,260	1,290	5.7	23,840	22,390	1,450	6.1
Wenatchee Labor Area	43,230	38,420	4,810	11.1	44,390	40,170	4,220	9.5
Chelan County 2/	29,550	26,000	3,550	12.0	30,390	27,180	3,210	10.6
Douglas County 2/	13,680	12,420	1,260	9.2	14,010	12,990	1,020	7.3
Whitman	17,570	17,060	510	2.9	17,100	16,640	460	2.7

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	Prelim Aug Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Aug-88	Jul-88	Aug-87	Aug-88	Jul-88	Aug-87	Aug-88	Jul-88	Aug-87
TOTAL MANUFACTURING INDUSTRIES*	205,364	$469.65	$475.20	$468.06	39.7	39.6	39.7	$11.83	$12.00	$11.79
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	34,215 **	$419.77	$426.38	$399.65	38.3	37.9	36.8	$10.96	$11.25	$10.86
Primary Metal Industries	10,003 **	$539.68	$536.98	$545.75	42.9	43.2	43.8	$12.56	$12.43	$12.46
Fabricated Metal Products	8,936	$444.17	$449.80	$435.89	39.8	39.7	40.1	$11.16	$11.33	$10.87
Machinery	19,579	$363.83	$371.67	$375.96	38.5	39.0	39.7	$9.45	$9.53	$9.47
Food and Kindred Products	27,150	$368.25	$372.67	$353.25	37.5	36.5	37.7	$9.82	$10.21	$9.37
Chemical and Allied Products	4,167	$594.50	$604.80	$605.82	41.0	40.7	42.1	$14.50	$14.86	$14.39
Transportation Equipment	51,283	$581.63	$585.75	$603.50	42.3	42.6	42.5	$13.75	$13.75	$14.20
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	82,739	$592.85	$594.83	$596.43	36.8	37.2	37.3	$16.11	$15.99	$15.99
Wholesale and Retail Trade (does not include eating and drinking establishments)	296,431 **	$316.14	$319.79	$322.23	33.0	32.9	34.5	$9.58	$9.72	$9.34

* Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor-management disputes.

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